



WILLIAM T FUJIOKA
Chief Executive Officer

County of Los Angeles
CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration
500 West Temple Street, Room 713, Los Angeles, California 90012
(213) 974-1101
<http://ceo.lacounty.gov>

"To Enrich Lives Through Effective And Caring Service"

Board of Supervisors
GLORIA MOLINA
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Fifth District

June 11, 2013

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

14 June 11, 2013

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

**TEN-YEAR LEASE
CHILD SUPPORT SERVICES DEPARTMENT
3179 TEMPLE AVENUE, POMONA
(FIRST DISTRICT)
(3 VOTES)**

SUBJECT

The recommendation is to approve a new ten-year lease for 50,756 rentable square feet of office space and 196 parking spaces to be occupied by the Child Support Services Department.

IT IS RECOMMENDED THAT THE BOARD:

1. Consider the Negative Declaration together with the fact that no comments were received during the public review process, find that the project will not have a significant effect on the environment, find that the Negative Declaration reflects the independent judgment of the County of Los Angeles to approve the Negative Declaration, and adopt the Negative Declaration.
2. Approve and instruct the Chairman to sign the ten-year lease with RAIC University Technology Center, LLC (Landlord) for the occupancy of 50,756 rentable square feet of office space and 196 parking spaces located at 3179 Temple Avenue, Pomona for the Child Support Services Department, for a maximum annual total lease cost of \$1,600,890. The lease cost is 100 percent funded by State and Federal funds. The lease will be effective upon Board approval.
3. Authorize the Internal Services Department, or the Landlord, at the direction of the Chief Executive Office, to acquire telephone, data, and low voltage systems at a cost not to exceed \$1,912,500.

4. Authorize the Chief Executive Officer, and the Directors of Internal Services and Child Support Services to implement the project. The lease will be effective upon Board approval, but the term and rent will commence upon substantial completion of improvements by the Landlord and acceptance by the County.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Since May 1991, the Child Support Services Department (CSSD) Division III has housed its Child Support Enforcement program at 2934 East Garvey Avenue, West Covina. This facility is now outdated with inefficient floor configurations, air conditioning, and maintenance deficiencies, as well as inadequate parking. The lease at the current facility expired on December 16, 2012, and occupancy has continued on a holdover basis. The current landlord recently sold the property, and issued a Notice to Vacate to CSSD. The notice was rescinded when CSSD agreed to pay a Board approved holdover and vacate by December 31, 2013.

The Chief Executive Office (CEO), Real Estate Division has been working with CSSD since December 2011 to identify a viable replacement facility. The search area of the East San Gabriel Valley has a very limited amount of buildings that can accommodate the program, which hindered and delayed the site selection process.

CSSD desires to relocate the program to a building located at 3179 Temple Avenue, Pomona, and CSSD will be the sole tenant in the building. CSSD will house approximately 255 employees in the proposed replacement facility. The Division III staff provides direct services to clients within the First Supervisorial District, and currently manages approximately 54,199 child support cases with an average number of 75 client visits per day.

In January 2012, CEO Asset Management determined 39,000 square feet of office space in a more efficient facility should be adequate for the Division III staff. CSSD has since initiated a space consolidation and staff reorganization plan, whereby staffing will be increased upon relocating to the proposed Pomona facility. CSSD is also working on reducing the amount of space it occupies in Commerce. An updated Space Request, justifying the proposed 50,000 square foot premises, has been submitted by CSSD to CEO Asset Management.

Implementation of Strategic Plan Goals

The Countywide Strategic Plan Goal of Operational Effectiveness (Goal 1) directs that we maximize the effectiveness of processes, structure, and operations to support the timely delivery of customer-oriented and efficient public services and Fiscal Sustainability (Goal 2) strengthens and enhances economic and social outcomes through integrated, cost-effective, and client-centered supportive services. The proposed lease supports these goals by delivering a facility that supports efficient public services. The proposed lease is in conformance with the Asset Management Principles as outlined in Attachment A.

FISCAL IMPACT/FINANCING

The proposed lease will provide CSSD the use of 50,756 square feet of office space and 196 parking spaces at a maximum first year cost of \$1,600,890, or \$31.54 per square foot. The rental costs consist of two components: office rent and Tenant Improvement (TI) reimbursement payments. Annual office rent amounts to \$1,065,876, or \$21 per square feet, and annual TI reimbursement payments may amount to \$281,233, or \$5.54 per square feet, if all of the TI allowances are

expended and amortized over 120 months at 7 percent. A lump sum payment for Change Order expenses may amount to \$253,780. All building operating expenses are included in the office rent component, except the maintenance of County furniture, fixtures, and equipment.

The office rent is subject to annual adjustment in accordance with changes to the Consumer Price Index, and the minimum annual adjustment will be 2-1/2 percent with a maximum annual adjustment of 5 percent. Attachment B is the fiscal impact/financing overview of the proposed lease.

Sufficient funding for the proposed lease will be included in the Fiscal Year (FY) 2013-14 Rent Expense budget and will be charged back to CSSD. CSSD has budgeted sufficient funding in its FY 2013-14 operating budget to cover the projected lease costs which are fully funded via State and Federal subvention.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The proposed lease will provide CSSD the use of 50,756 square feet of office space and 196 parking spaces. The lease includes the following provisions:

- The ten-year lease term and rent will commence upon substantial completion and acceptance by the County of the TIs provided by the Landlord.
- A full-service gross lease (FSG) whereby the Landlord will be responsible for all operating costs associated with the County's occupancy, except the maintenance of County furniture, fixtures, and equipment. The tenant department will reimburse the landlord for an air conditioning system service contract starting at \$2,400 annually plus any additional service fees.
- The Landlord will provide a non-reimbursable base TI allowance of \$32 per square foot, or \$1,624,192.
- The Landlord will also provide a reimbursable additional TI allowance of \$40 per square foot, or \$2,030,240, and a change order allowance of \$5 per square foot, or \$253,780. The additional TI allowance may be paid in a lump-sum or amortized over the initial ten years at 7 percent interest. The change order allowance must be paid in a lump-sum.
- The County will have the right to cancel the lease at or any time after 84 months of the lease term upon 270 days prior written notice.
- Two distinct Options to Renew the lease term for five additional years at 95 percent of fair market rent.

The CEO-Real Estate Division staff surveyed the immediate area to determine the availability of comparable and more economical sites. Staff was unable to identify any sites in the surveyed area that could accommodate this requirement more economically. Attachment C shows all County-owned and leased facilities within a ten-mile radius of the subject facility. Based upon the survey, staff has established that the annual rental range for similar space and terms is between \$20 and \$24 per square foot on a FSG basis. Therefore, the proposed annual rental rate of \$21, including parking, is in the range of the FSG market rates for this area.

The Department of Public Works inspected the facility and has found it suitable for County occupancy. Construction of the TIs will be completed in compliance with the Americans with Disabilities Act and applicable building codes. Additionally, the Landlord will ensure path of travel

requirements are met.

The proposed lease was submitted for review to your Board appointed Real Estate Management Commission (Commission) on May 22, 2013. After careful review, the Commission approved the proposed lease.

There is no space available to accommodate a childcare facility at the proposed leased premises.

ENVIRONMENTAL DOCUMENTATION

The CEO has made an initial study of environmental factors and has concluded that this Project will have no significant impact on the environment and no adverse effect on wildlife resources. Accordingly, a Negative Declaration has been prepared and a notice posted at the site as required by the California Environmental Quality Act and the California Administrative Code, Section 15072. Copies of the completed study, the resulting Negative Declaration, and the Notice of Preparation of Negative Declaration as posted are attached. No comments to the Negative Declaration were received. A fee must be paid to the State Department of Fish and Game when certain notices are filed with the Registrar-Recorder/County Clerk.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

The proposed lease will allow CSSD to continue to provide the necessary office space for this County requirement and CSSD concurs with the proposed recommendation.

CONCLUSION

It is requested that the Executive Officer, Board of Supervisors, return two originals of the executed lease and the adopted, stamped Board letter and two certified copies of the Minute Order to the CEO, Real Estate Division at 222 South Hill Street, Fourth Floor, Los Angeles, CA 90012.

The Honorable Board of Supervisors

6/11/2013

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Respectfully submitted,

A handwritten signature in black ink, appearing to read 'W. T. Fujioka', with a long horizontal line extending to the right.

WILLIAM T FUJIOKA

Chief Executive Officer

WTF:RLR:CMM

CEM:KW:ls

Enclosures

c: Executive Office, Board of Supervisors
County Counsel
Auditor-Controller
Child Support Services
Internal Services

**CHILD SUPPORT SERVICES DEPARTMENT
3179 TEMPLE AVENUE, POMONA**

Asset Management Principles Compliance Form¹

1.	<u>Occupancy</u>		Yes	No	N/A
	A	Does lease consolidate administrative functions? ²			X
	B	Does lease co-locate with other functions to better serve clients? ²	X		
	C	Does this lease centralize business support functions? ²			X
	D	Does this lease meet the guideline of 200 sq. ft of space per person? ²	X		
2.	<u>Capital</u>				
	A	Is it a substantial net County cost (NCC) program?		X	
	B	Is this a long term County program?	X		
	C	If yes to 2 A or B; is it a capital lease or an operating lease with an option to buy?		X	
	D	If no, are there any suitable County-owned facilities available?		X	
	E	If yes, why is lease being recommended over occupancy in County-owned space?			X
	F	Is Building Description Report attached as Attachment C?	X		
	G	Was build-to-suit or capital project considered? A build-to-suit or capital project is not under consideration at this time as it is not feasible due to scale, cost, and time constraints.		X	
3.	<u>Portfolio Management</u>				
	A	Did department utilize CEO Space Request Evaluation (SRE)?	X		
	B	Was the space need justified?	X		
	C	If a renewal lease, was co-location with other County departments considered?			X
	D	Why was this program not co-located?			X
		1. ____ The program clientele requires a "stand alone" facility.			
		2. <u>X</u> No suitable County occupied properties in project area.			
		3. <u>X</u> No County-owned facilities available for the project.			
		4. ____ Could not get City clearance or approval.			
		5. ____ The Program is being co-located.			
	E	Is lease a full service lease? ²	X		
	F	Has growth projection been considered in space request?	X		
	G	Has the Dept. of Public Works completed seismic review/approval?	X		
¹ As approved by the Board of Supervisors 11/17/98					
² If not, why not?					

**FISCAL IMPACT/FINANCING
OVERVIEW OF THE PROPOSED LEASE**

Proposed Lease	3179 Temple Avenue, Pomona
Area (Square Feet)	50,756 rentable square feet
Term (years)	Ten-years, commencing upon Board approval and County's acceptance of the TI.
Annual Base Rent	\$1,065,876 (\$21.00 per sq. ft. annually)
Annual TI Reimbursement ⁽¹⁾	\$281,233 (\$5.54 per sq. ft. annually)
Maximum Annual Lease Cost ⁽²⁾	\$1,600,890 (\$31.54 per sq. ft. annually)
Base TI Allowance	\$1,624,192 (\$32 per sq. ft. included in the base rent)
Additional TI Allowance	\$2,030,240 (\$40 per sq. ft.)
Change Order Allowance	\$253,780 (\$5 per sq. ft.)
Cancellation	After 84 months of the lease term upon 270 days prior written notice
Parking (included in base rent)	196 surface parking spaces included in the base rent.
Options to Renew	Two distinct Options to Renew the lease term for five additional years at 95 percent of fair market rent.
Rental adjustment	Annual Consumer Price Index with a minimum of two and one-half percent and a maximum of five percent.

⁽¹⁾ \$2,284,020 represents the maximum amount of reimbursable TI and change order funds available for this project. If \$2,030,240 of this amount is expended and amortized over 120 months at the proposed rate of 7 percent, the annual TI reimbursement amount will be \$281,233. If the entire change order amount of \$253,780 is expended then a lump payment for that amount will be paid.

⁽²⁾ Includes annual base rent, annual reimbursement of Additional TI, and lump sum payment for change orders.

Attachment C

CHILD SUPPORT SERVICES DEPARTMENT SPACE SEARCH 10 MILE RADIUS OF 2934 GARVEY, WEST COVINA

Laco	Facility Name	Address	Ownership	Gross SQFT	Net SQFT	Vacant SQFT
A059	WEST COVINA REGIONAL SERVICES BUILDING	2934 E GARVEY AVE, WEST COVINA 91791-2191	LEASED	57,633	50,369	NONE
A478	SHERIFF-NORTH REG SURVEILLANCE & APPREHENSION	2239 E GARVEY AVE N, WEST COVINA 91791	LEASED	1,989	1,890	NONE
A344	DCFS-COVINA ANNEX	1373 E CENTER COURT DR, COVINA 91724	LEASED	29,525	28,050	NONE
4982	PUBLIC LIBRARY-WEST COVINA REGIONAL LIBRARY	1601 WEST COVINA PKWY, WEST COVINA 91790	OWNED	42,345	14,717	NONE
4177	PH-EAST AREA ENVIRONMENTAL HEALTH PROGRAMS	1435 WEST COVINA PKWY, WEST COVINA 91790	OWNED	8,500	4,096	NONE
X257	WEST COVINA COURTHOUSE	1427 WEST COVINA PKWY, WEST COVINA 91790	OWNED	101,573	77,341	NONE
A088	PUBLIC LIBRARY-CHARTER OAK LIBRARY	20540 E ARROW HWY, COVINA 91724	LEASED	2,500	2,500	NONE
B011	ALT PUB DEF-WEST COVINA OFFICE	1501 W CAMERON AVE, WEST COVINA 91790	LEASED	607	607	NONE
A605	DCFS-GLENDORA (SPA 3) & REVENUE ENHANCEMENT	725 S GRAND AVE, GLENDORA 91740	LEASED	109,018	103,567	NONE
0095	PW ROAD-DIV #518 MAINTENANCE YARD OFFICE	161 N VALENCIA ST, GLENDORA 91741	OWNED	660	594	NONE
Y479	PUBLIC LIBRARY-WALNUT LIBRARY	21155 LA PUENTE RD, WALNUT 91789	OWNED	12,731	8,612	NONE
4615	VALLEYDALE-DIRECTOR'S BUILDING	5525 N LARK ELLEN AVE, AZUSA 91702	OWNED	243	193	NONE
Y423	PW OPSV-TRAFFIC SIGNAL/SIGN PAINTING OFFICE	14514 E CENTRAL AVE, BALDWIN PARK 91706	OWNED	915	835	NONE
A530	DCSS-GLENDORA ADULT PROTECTIVE SERVICES	130 W ROUTE 66, GLENDORA 91740	LEASED	2,070	1,863	NONE
4148	ANIMAL CONTROL #4-ADMINISTRATION BUILDING	4275 N ELTON AVE, BALDWIN PARK 91706	OWNED	1,621	806	NONE
B441	PW-INC CITY OFFICE (IRWINDALE)	5050 N IRWINDALE AVE, IRWINDALE 91706	GRATIS USE	0	0	NONE
0081	PW ROAD-MAINT DIST 1 OFFICE	14747 E RAMONA BLVD, BALDWIN PARK 91706	OWNED	5,400	4,860	NONE
0105	PW ROAD-MAINT DIST 1 CONST INSPECTION OFFICE	14747 E RAMONA BLVD, BALDWIN PARK 91706	OWNED	500	475	NONE
A670	DCFS-CORPORATE CENTER	801 CORPORATE CENTER DR, POMONA 91768	LEASED	49,416	46,945	NONE
5497	PUBLIC LIBRARY-BALDWIN PARK LIBRARY	4181 BALDWIN PARK BLVD, BALDWIN PARK 91706	OWNED	15,555	13,162	NONE
Y249	PUBLIC LIBRARY-SUNKIST LIBRARY	840 N PUENTE AVE, LA PUENTE 91746	OWNED	8,314	6,957	NONE
5941	AG COMM-BONELLI FIELD OFFICE/ COMFORT STN #3	250 VIA VERDE, SAN DIMAS 91773	OWNED	764	282	NONE
D602	DPSS-POMONA WS DISTRICT OFFICE	2040 W HOLT AVE, POMONA 91768	OWNED	54,265	39,418	NONE
F437	PW FLOOD-PUDDINGSTONE OFFICE	150 E PUDDINGSTONE DR, SAN DIMAS 91773	OWNED	240	216	NONE
A036	PROBATION-POMONA VALLEY AREA OFFICE	1660 W MISSION BLVD, POMONA 91766	LEASED	21,680	17,618	NONE
T407	AG COMM/WTS&MEAS-EAST FIELD STN PEST DETECTON	15501 E ARROW HWY, IRWINDALE 91706	OWNED	720	642	NONE
0080	PW ROAD-DIV #416 MAINTENANCE YARD OFFICE	14959 E PROCTOR AVE, CITY OF INDUSTRY 91746	OWNED	660	594	NONE
A575	FIRE - FIRE PREVENTION BUREAU	15660 E STAFFORD ST, CITY OF INDUSTRY 91745	LEASED	4,500	4,275	NONE
X561	BONELLI-REGIONAL PARK HEADQUARTERS BUILDING	120 VIA VERDE, SAN DIMAS 91773	OWNED	2,646	1,322	NONE
5480	PUBLIC LIBRARY-LA PUENTE LIBRARY	15920 E CENTRAL AVE, LA PUENTE 91744	OWNED	10,572	8,439	NONE
5499	DHS-LA PUENTE HEALTH CENTER	15930 E CENTRAL AVE, LA PUENTE 91744	OWNED	10,733	6,049	NONE
0556	SHERIFF-AERO/PARKS BUREAU-OFFICE	1911 MCKINLEY AVE, LA VERNE 91750-5802	LEASED	2,400	1,680	NONE
4135	BRACKETT FIELD-ADMINISTRATION BUILDING-1	1615 W MCKINLEY AVE, LA VERNE 91750	OWNED	9,393	3,693	NONE
A019	AIR OPERATIONS 24-HR MULTI-MISSION SQUAD	1889 MCKINLEY AVE, LA VERNE 91750-5802	LEASED	9,600	9,432	NONE
A300	DIST ATTY-POMONA INTERVALLEY OFFICE BUILDING	300 S PARK AVE, POMONA 91766	LEASED	16,757	15,920	NONE
C049	DC&FS-CHILD & SAFETY PROGRAM	490 W MISSION BLVD, POMONA 91766	LEASED	72	64	NONE
C051	DC&FS CHILDREN'S ADVOCACY CENTER	363 S PARK AVE, POMONA 91766	GRATIS USE	1,200	1,140	NONE
3819	POMONA COURTHOUSE - NORTH	350 W MISSION BLVD, POMONA 91766	STATE OF CA AND COUNTY LA (PARTIAL)	50,934	34,477	NONE
5307	PH-POMONA PUBLIC HEALTH CENTER	750 S PARK AVE, POMONA 91766	FINANCED	15,980	14,960	NONE
5309	POMONA COURTHOUSE - SOUTH	400 CIVIC CENTER PLZ, POMONA 91766	STATE OF CA AND COUNTY LA (PARTIAL)	207,830	116,679	NONE
A563	ALT PUBLIC DEFENDER - POMONA OFFICE	101 W MISSION BLVD, POMONA 91766	LEASED	2,744	2,607	NONE
5673	PUBLIC LIBRARY-SAN DIMAS LIBRARY	145 N WALNUT AVE, SAN DIMAS 91773	OWNED	13,628	11,421	NONE
0111	PW-FLOOD OFFICE (FORMER SAN DIMAS SHERIFF)	118 PONY EXPRESS RD, SAN DIMAS 91773	OWNED	660	594	NONE
A359	DPSS-POMONA GAIN PROGRAM REGION III SUBOFFICE	2255 N GAREY AVE, POMONA 91768	LEASED	19,500	18,525	NONE
A527	PH-ENVIRONMENTAL HEALTH HEADQUARTERS	5050 COMMERCE DR, BALDWIN PARK 91706	OWNED	77,700	66,045	NONE
A089	BOARD OF SUP-5TH DISTRICT FIELD OFFICE	615 E FOOTHILL BLVD, SAN DIMAS 91773	LEASED	1,292	1,048	NONE
Y478	PUBLIC LIBRARY-LA VERNE LIBRARY	3640 D ST, LA VERNE 91750	OWNED	10,347	8,486	NONE
4408	CAMP GLENN ROCKEY-ADMINISTRATION BUILDING	1900 N SYCAMORE CANYON RD, SAN DIMAS 91773	OWNED	5,083	3,585	NONE
Y464	PUBLIC LIBRARY-DUARTE LIBRARY	1301 BUENA VISTA AVE, DUARTE 91010	OWNED	10,048	8,860	NONE

DATE POSTED – May 7, 2013

NOTICE OF PREPARATION OF NEGATIVE DECLARATION

This notice is provided as required by the California Environmental quality Act and California Administrative Code Title 14 Division 6, Section 15072 (a) (2) B.

A Negative Declaration has been prepared for this site based on an Initial Study which consists of completion and signing of an Environmental Information Form showing background information as follows:

1. Name of Proponent - County of Los Angeles
Chief Executive Office

ORIGINAL FILED

2. Address/Phone No. - 222 South Hill Street, 3rd Floor
Los Angeles, California 90012

MAY 07 2013

LOS ANGELES COUNTY CLERK

<u>Agent</u>	<u>Telephone</u>
Kevin Webb	(213) 974-4170

3. Date Information Form Submitted – November 26, 2012

4. Agency Requiring Information Form - Los Angeles County
Chief Executive Office

5. Address of Facility Involved – 3179 Temple Avenue
Pomona, CA 91768

6. Description of Project - The leasing of existing office space in an existing
Commercial building to be used by the County of Los
Angeles, Child Support Services Department.

7. Finding for Negative Declaration - It has been determined that this project will
not have a significant effect on the
environment.

Interested parties may obtain a copy of the Negative Declaration and the completed Environmental Information Form/Initial Study by contacting the Real Property Agent indicated under 2. above and referring to the proposal by name or to the facility by address.

Si necesita informacion en espanol, por favor de comunicarse con el agente designado, para asistencia en obtener una traduccion.

**COUNTY OF LOS ANGELES
CHIEF EXECUTIVE OFFICE**

NEGATIVE DECLARATION

I. Location and Description of the Project

The proposed project is for the County of Los Angeles to lease facilities at 3179 Temple Avenue, Pomona, California, which will be used by the Child Support Services Department for administrative purposes. The facilities, located in the First Supervisorial District approximately 33 miles from the Los Angeles Civic Center, include 50,000 square feet of office space. The County shall have use of 200 off-street parking spaces for staff and visitors. The Landlord has no expansion plans beyond the scope of this project.

II. Finding of No Significant Effect

Based on the attached initial study, it has been determined that the project will not have a significant effect on the environment.

III. Mitigation Measures

None required.

NEGATIVE DECLARATION

Department Name: Child Support Services
Project: Child Support Enforcement Health

Pursuant to Section 15072, California Environmental Quality Act and California Administrative Code Title 14, Division 6

1. **Description of Project**

The leasing of existing office space in an existing commercial building to be used by the County of Los Angeles, Child Support Services Department as a child support enforcement service center.

2. a. **Location of Project** (plot plan attached)

3179 Temple Avenue
Pomona, CA 91768

b. **Name of Project Proponent**

County of Los Angeles
Chief Executive Office
222 South Hill Street, 3rd Floor
Los Angeles, CA 90012

3. **Finding for Negative Declaration**

It has been determined that this project will not have a significant effect on the environment based on information shown in the attached Environmental Information Form dated May 6, 2013 which constitutes the Initial Study of this project.

4. **Initial Study**

An Initial Study leading to this Negative Declaration has been prepared by the Chief Executive Office and is attached hereto.

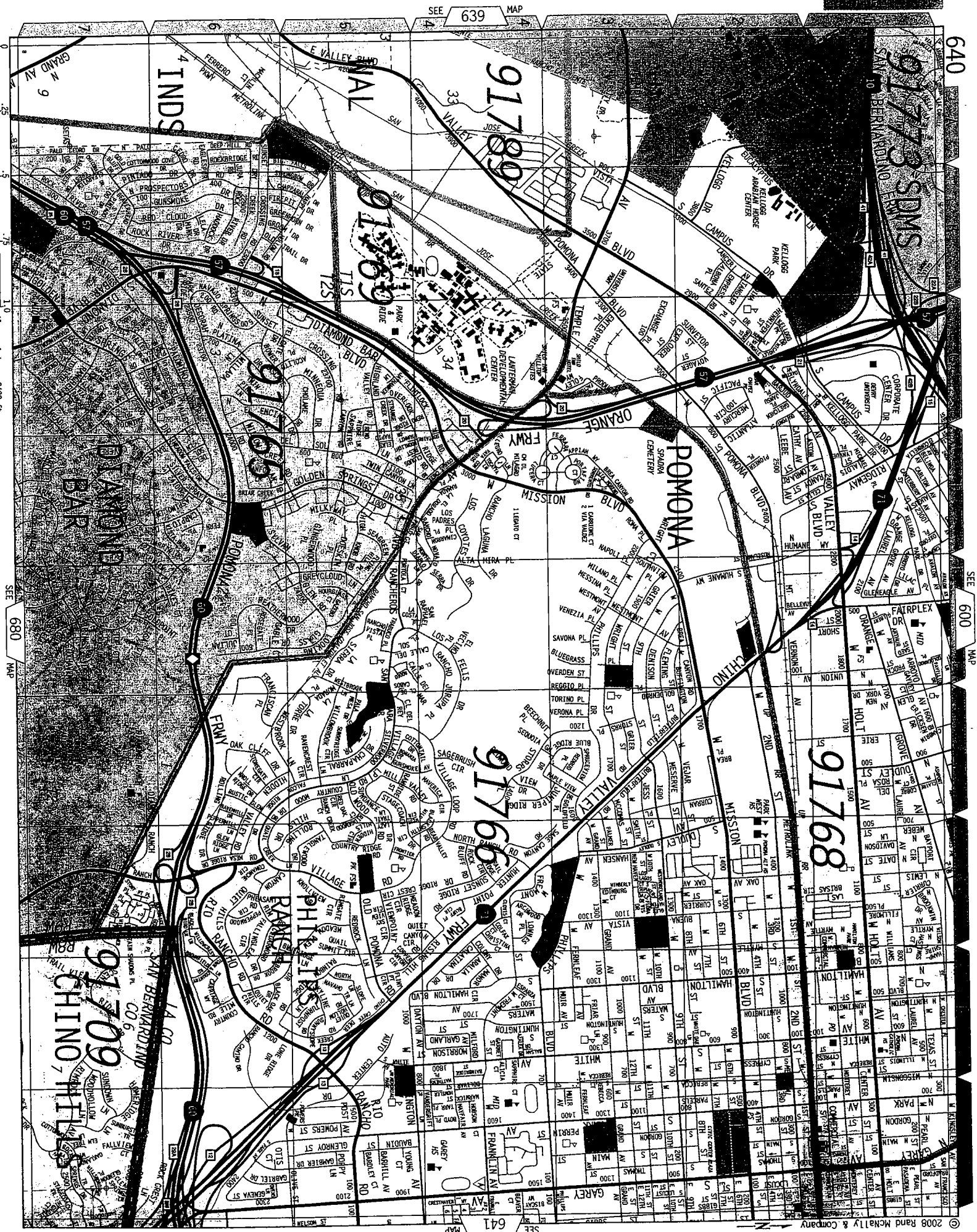
5. **Mitigation Measures Included in Project**

None required.

Date
May 6, 2013

Real Property Agent
Kevin Webb

Telephone
(213) 974-4170



INITIAL STUDY

I. Location and Description of Project

The proposed leased premises are located at 3179 Temple Avenue, Pomona located in the First Supervisorial District approximately 33 miles east of the Los Angeles Civic Center and adjacent to the 57 Freeway and 1 mile north of the 60 Freeway. (See attached map)

The building to be used is owned by RAIC University Technology Center, LLC and is intended for use as office space. Located at the site are 200 exclusive off-street parking spaces for the County's use and ample public parking located on the surface streets surrounding the area.

This project consists of leasing this facility for 10 years for occupancy by the Child Support Services Department. It is anticipated that an average of 204 employees will be occupying the premises with the maximum employee occupancy anticipated to be 200 per day. In addition to the employees, it is anticipated that an average of 75 members of the public will be visiting the facility, daily, regarding child support compliance and payment matters. No expansion of existing premises will occur for this project and no alterations, except for interior furnishings, will be performed for this project.

II. Compatibility with General Plan

This project site is currently designated as commercial office use in the City of Pomona General Plan and zoned POM2. The proposed project would be consistent with these designations.

III. Environmental Setting

The project site is located in an area of retail and commercial type facilities. The site includes approximately 100,000 square feet of developed property within a 157,000 square foot parcel. The site is bordered by Foley Way on the north side, Highland Valley Road on the south side, Pomona Boulevard on the west side, and the 57 Freeway on the east side.

IV. Identification of Environmental Effects

- A. The impact of the proposed project on existing land forms will be negligible as no reshaping of the soil nor excavation nor foundations, utility lines, sewer lines or water lines will be necessary.
- B. The project will not conflict with adopted environmental plans and goals of the City of Pomona.

- C. The project will not have a substantial demonstrable negative aesthetic effect on the site. The existing facility will be continued to be maintained as part of the lease arrangement.
- D. No rare or endangered species of animal or plant or the habitat of the species will be affected by the project. Nor will it interfere substantially with the movement of any resident fish or wildlife species or migratory fish or wildlife species.
- E. The project will not breach published national, state or local standards relating to solid waste or litter control.
- F. Development will not substantially degrade water quality, contaminate water supply, substantially degrade or deplete ground water resources, or interfere substantially with ground water recharge.
- G. There are no known archeological sites existing at the project site.
- H. The proposed project will not induce substantial growth or concentration of population.
- I. The project will not cause a substantial increase to existing traffic. Nor will it affect the carrying capacity of the present street system. This is a government use of private property for public benefit purposes. The County's use is in conformance with uses approved by the City of Pomona.
- J. The project will not displace any persons from the site.
- K. The project will not substantially increase the ambient noise levels to adjoining areas. Noise generated by the proposed County use does not exceed that previously experienced in the area when occupied by private tenants.
- L. The proposed developed project will not cause flooding, erosion or siltation.
- M. The project will not expose people or structures to major geologic hazards.
- N. The project will not expend a sewer trunk line. All necessary utilities are available currently to the facility.
- O. No increased energy consumption is anticipated by the County's use of the premises.

- P. The project will not disrupt or divide the physical arrangement of established community; nor will it conflict with established recreational, educational, religious or scientific uses of the area.
- Q. No public health or safety hazard or potential public health or safety hazard will be created by this project.
- R. The project will not violate any ambient air quality standard, contribute substantially to an existing or projected air quality violation, or expose sensitive receptors to substantial pollutant concentrations.

V. Discussions of Ways to Mitigate Significant Effects

The proposed project is not expected to create any significant effects on the environment. To mitigate any effects upon the surrounding community the following measures will be implemented:

- A. None Required.

VI. Initial Study Preparation

This study was prepared by Kevin Webb of the Los Angeles County Chief Executive Office, Real Estate Division. This study was completed on May 6, 2013.

**COUNTY OF LOS ANGELES
CHIEF EXECUTIVE OFFICE
LEASE AGREEMENT**

**DEPARTMENT: Child Support Services, as Tenant
LANDLORD: RAIC UNIVERSITY TECHNOLOGY CENTER LLC**

[3179 Temple Avenue, Pomona]

77970

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**COUNTY OF LOS ANGELES
CHIEF EXECUTIVE OFFICE
LEASE AGREEMENT**

THIS LEASE is entered into as of the 11th day of June, 2013 between RAIC UNIVERSITY TECHNOLOGY CENTER, LLC ("**Landlord**"), and COUNTY OF LOS ANGELES, a body politic and corporate ("**Tenant**" or "**County**").

Landlord and Tenant agree:

1. **BASIC LEASE INFORMATION.** The following terms as used herein shall have the meanings provided in this Section 1, unless otherwise specifically modified by provisions of this Lease.

(a) Defined Terms Relating to the Lease:

Landlord's Address for Notice:

Tina Minook
c/o Davis Partners
1420 Bristol Street North, Suite 100
Newport Beach, CA 92660
Telephone: (909) 348-5900
Facsimile: (909) 348-5904

With a copy to:

Invesco Real Estate
500 Three Galleria Tower
13155 Noel Road
Dallas, TX 75240
Attention: University Technology Center Asset
Manager
Telephone: (972) 715-7400
Facsimile: (972) 715-5816

Tenant's Address for Notice:

Board of Supervisors
Kenneth Hahn Hall of Administration,
Room 383
500 West Temple Street
Los Angeles, CA 90012

With a copy to:

Chief Executive Office
Real Estate Division
222 South Hill Street, 3rd Floor
Los Angeles, CA 90012
Attention: Director of Real Estate

77970

Premises: Approximately 50,756 rentable square feet, which constitutes the entirety of the Building (defined below) as shown on Exhibit A attached hereto.

Building: The building located at 3179 Temple Avenue, Pomona which is currently assessed by the County Assessor as APN 8719-002-021 (the "**Property**"). The term "Complex" shall collectively refer to the Building and the other building which together comprise the two (2)-building Complex commonly known as "University Technology Center" owned by Landlord, the land on which both buildings are located as well as the driveways, associated parking areas, and similar improvements and easements associated with the foregoing or the operation thereof, including without limitation the Common Areas (as defined in Section 3) and is more particularly shown in the attached Exhibit A-2.

Term: Ten (10) years commencing thirty (30) days after Tenant's Acceptance of the Premises as defined in Section 4(a) (the "**Commencement Date**"); and terminating at midnight on the day before the Tenth (10th) anniversary of the Commencement Date (the "**Termination Date**"), subject to earlier termination by Tenant as provided herein; provided that the Term may be extended, at Tenant's option, as specifically provided in Section 4(d). The phrase "Term of this Lease" or "the Term hereof" as used in this Lease, or words of similar import, shall refer to the Term of this Lease.

Projected Commencement Date: The date which is two hundred and forty (240) days following the Lease Approval Date. As used herein, the "**Lease Approval Date**" shall mean the date on which this Lease is fully executed by Landlord and Tenant and approved by the County Board of Supervisors. If the Lease Approval Date occurs on or before June 15, 2013, then the Projected Commencement Date will be February 15, 2014.

Commencement Date: The date on which the Tenant Improvements (as defined in the Work Letter attached hereto as Exhibit L) in the Premises have been Substantially Completed.

Irrevocable Offer Expiration Date: June 15, 2013

Base Rent: \$88,823 (\$1.75 per rentable square foot) (adjustable only as provided in Sections 2(b) and 5 hereof.)

Early Termination Date: Anytime after the Seventh (7th) Anniversary of the Commencement Date pursuant to Section 4(e).

Rentable Square Feet in the Premises: 50,756

Use: General office use or for any other lawful purposes not incompatible with other uses in the Building.

Initial Departmental Use: Child Support Services

Parking Spaces: 196

Normal Working Hours: 7:00 a.m. to 7:00 p.m., Monday through Friday and 9:00 a.m. to 2:00 p.m. Saturday, except New Year's Day, President's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Christmas Day (on the days such holidays are generally observed) and such other holidays as are generally recognized by the County of Los Angeles, California.

Asbestos Report: A report dated May 2013 (file no. 113069) prepared by BA Environmental, a licensed California Asbestos contractor.

(b) Defined Terms Relating to Landlord's Work Letter:

Base Tenant Improvement Allowance: \$1,624,192

Additional Tenant Improvement Allowance: \$2,030,248

Maximum Change Order Allowance: \$253,780

Additional Tenant Improvement and Change Order Amortization Rate: 7% per annum

Tenant's Work Letter Representative: Kevin Webb

Landlord's Work Letter Representative: Daniel Karcher

Landlord's Address for Work Letter Notice: Daniel Karcher
c/o Davis Partners
1420 Bristol Street North, Suite 100

Newport Beach, CA 92660
Telephone: (909) 348-5900
Facsimile: (909) 348-5904

With a copy to:

Invesco Real Estate
500 Three Galleria Tower
13155 Noel Road
Dallas, TX 75240
Attention: University Technology Center Asset
Manager

Tenant's Address for Workletter Notice:

Board of Supervisors
Kenneth Hahn Hall of Administration,
Room 383
500 West Temple Street
Los Angeles, CA 90012

With a copy to:

Chief Executive Office
Real Estate Division
222 South Hill Street, 3rd Floor
Los Angeles, CA 90012
Attention: Director of Real Estate

(c) Exhibits to Lease:

- Exhibit A – Floor Plan
- Exhibit A-2 – Diagram of Complex
- Exhibit B – Commencement Date Memorandum
- Exhibit C – Cleaning Schedule
- Exhibit D – Tenant Estoppel Certificate
- Exhibit E – Subordination, Non-disturbance and Attornment Agreement
- Exhibit F – Nondisturbance Agreement
- Exhibit G – Request for Notice
- Exhibit H – Community Business Enterprises Form
- Exhibit I – Rules and Regulations
- Exhibit J – Parking Rules and Regulations
- Exhibit K – Insurance Requirements

(d) Landlord's Work Letter:

(Executed concurrently with this Lease and made a part hereof by this reference):

- Exhibit L – Landlord's Work Letter

- Addendum A – Base Building Improvements
- Addendum B – Tenant Improvements
- Addendum C – Memorandum of Tenant Improvements Costs
- Addendum D – Preliminary Space Plan

2. PREMISES

(a) Landlord does hereby lease to Tenant, and Tenant does hereby lease from Landlord, upon the terms and conditions herein set forth, the Premises described in Section 1 and Exhibit A attached hereto.

(b) Tenant shall have the right within 90 days of approval of this Lease by the Board of Supervisors of the County of Los Angeles (“**Board of Supervisors**”) to field-measure and verify the exact footage of the Premises and/or the Building. The date on which this Lease is executed by Landlord and approved by the Board of Supervisors is hereinafter referred to as the “Lease Approval Date”. All measurements shall be taken in accordance with the methods of measuring rentable/usable area as described in the Standard Method for Measuring Floor Area in Office Buildings, ANSI Z65.1-1996, as promulgated by the Building Owners and Management Association (“**BOMA**”) International except that no penthouse mechanical room space shall be included in the measurement. Tenant shall notify Landlord of the results of Tenant’s measurement within five (5) business days of completing same. Should this measurement be less than the square footage stated above, then provided Landlord agrees with the results of Tenant’s measurement, the square footage, the Base Rent and the amount of the Allowances in Section 1 shall be adjusted accordingly by the mutual execution of an amendment to this Lease (prepared by Landlord). Landlord acknowledges the space has been marketed at the above-indicated rental amount and in the event of subsequent physical measurements, Landlord agrees there will be no adjustment made to either the square footage or the Base Rent or the amount of the Allowances in the event the measured square footage exceeds the amount represented by Landlord. Should Landlord and Tenant not agree with respect to the results of the measurement conducted pursuant to this subsection (b) Landlord shall appoint an independent firm or person who is experienced in making such measurements whose determination with respect to which measurement is correct shall be final and binding upon the parties. Landlord and Tenant shall share equally in the fees of such firm.

3. **COMMON AREAS.** Tenant may use the following areas (“**Common Areas**”) in common with Landlord and other tenants of the Building: the entrances, lobbies and other public areas of the Building, walkways, landscaped areas, driveways necessary for access to the Premises, parking areas and other common facilities designated by Landlord from time to time for common use of all tenants of the Building. Tenant shall comply with all reasonable, non-discriminatory rules and regulations regarding the use of the Common Areas established by Landlord. The current rules and regulations for the Complex are attached hereto as Exhibit I. Landlord may, from time to time, change such rules and regulations for the safety, care, or cleanliness of the Building and related facilities, provided that such changes are applicable to all tenants of the Building, will not unreasonably interfere with Tenant’s use of the Premises and are enforced by Landlord in a non-discriminatory manner. Tenant shall be responsible for the compliance with such rules and regulations by each Tenant Party. As used herein, “**Tenant Party**” means any of the following persons: Tenant; any assignees claiming by, through, or

under Tenant; any subtenants claiming by, through, or under Tenant; and any of their respective agents, contractors, employees, and invitees.

4. COMMENCEMENT AND EXPIRATION DATES

(a) Term. The term of this Lease shall commence upon the Commencement Date and terminate on the Termination Date. Within 30 days of determining the Commencement Date, Landlord and Tenant shall acknowledge in writing the Commencement Date by executing the Commencement Date Memorandum and Confirmation of Lease Terms attached as Exhibit B. The Commencement Date shall begin thirty (30) days after Tenant's Acceptance of the Premises. The term "**Tenant's Acceptance of the Premises**" as used in this Lease shall mean the date upon which the Tenant Improvements in the Premises are Substantially Complete. The term "**Substantially Complete**" or "**Substantial Completion**" as used in this Lease shall mean that the Premises is in compliance with all of the following: (1) the shell and core of the Building are complete and in compliance with all applicable laws and codes, and all of the building systems are operational to the extent necessary to service the Premises; (2) Landlord has sufficiently completed all the work required to be performed by Landlord in accordance with this Lease, including the installation of modular furniture systems, if so required [except for minor punchlist items which Landlord shall thereafter promptly complete] such that Tenant can conduct normal business operations from the Premises; (3) if required by applicable law, Landlord has obtained a certificate of occupancy for the Premises, or a temporary certificate of occupancy with respect to the Premises, or its equivalent; (4) Tenant has been provided with the number of parking privileges and spaces to which it is entitled under this Lease; and (5) if Landlord is responsible for the installation of telecommunication systems, then such systems shall be completely operational in the Premises.

(b) Termination Right. If the Commencement Date (i.e., if the Tenant Improvements in the Premises have not been Substantially Completed) has not occurred within ninety (90) days from the Projected Commencement Date, subject to Tenant Delays or Force Majeure Delays as provided in the Work Letter, which has been executed concurrently herewith, Tenant may thereafter, at any time before the Commencement Date occurs, terminate this Lease effective upon the giving of written notice to Landlord and the parties shall have no further obligations to one another hereunder. The Projected Commencement Date shall be delayed one day for each day of Tenant Delay and each day of Force Majeure Delay.

(c) Early Possession. Tenant shall be entitled to possession of the Premises not less than 30 days prior to the Commencement Date for the purpose of installing Tenant's furniture, fixtures and equipment in the Premises. Such early occupancy shall be subject to all provisions hereof but shall not advance the Termination Date, and Tenant shall not pay Base Rent with respect to the Premises for such early occupancy period.

(d) Renewal Options.

(i) Terms of Option. Provided that (i) Tenant is not then in default (beyond any applicable notice and/or cure periods) under the terms of this Lease at the time this extension option is exercised, (ii) the original Tenant under this Lease is occupying the entire Premises at the time this extension option is exercised, and (iii) Landlord has not given more than two (2)

notices of default in any twelve (12)-month period for nonpayment of monetary obligations, Tenant shall have two (2) options to extend the Term (each, an “**Option**”) for additional periods of five (5) years each (each, an “**Option Term**”). There shall be no additional extension terms beyond the Option Terms set forth herein. Each Option set forth herein is personal to the original Tenant under this Lease and it shall not be included in any assignment of Tenant’s interest in this Lease nor in any sublease of all or any portion of the Premises. Tenant’s exercise of its extension option shall be binding upon Tenant and not subject to rescission.

(ii) Base Rent During Option Term. During each Option Term, if any, the Base Rent shall be the amount equal to 95% of the Market Rent as set forth below. “**Market Rent**” shall mean the monthly base rent amount per rentable square foot in the Premises that a willing, non-equity tenant would pay and a willing landlord would accept at arm’s length for a term comparable to and commencing at approximately the same time as the Option Term for non-sublease office space in the Property or in comparable first-class office projects with prudent ownership (with management practices comparable with institutional ownership) in the downtown Pomona area (the “**Comparable Area**”), with comparable tenant improvements, in a comparable location, giving appropriate consideration to monthly rental rates per rentable square foot, the presence or absence of rent escalation clauses such as operating expense and tax pass-throughs, length of lease term, size and location of premises being leased, the condition of the Premises and the improvements previously made thereto, free rent, tenant improvements or any other tenant concessions or inducements and other generally applicable terms and conditions of tenancy for a similar project.

(iii) Exercise of Option. Tenant must exercise the subject Option, if at all, by giving Landlord written notice (“**Interest Notice**”) of its election to do so no later than twelve (12) months, nor earlier than fourteen (14) months, prior to the end of the initial Term or the first Option Term, as the case may be. Within fifteen (15) business days following Landlord’s receipt of the Interest Notice, Landlord shall deliver notice (“**Option Rent Notice**”) to Tenant setting forth the Landlord’s determination of the Market Rent for the subject Option Term (“**Landlord’s Option Rent Determination**”) and if Tenant desires to exercise the Option, Tenant shall provide Landlord written notice within ten (10) business days after receipt of the Option Rent Notice (“**Tenant’s Acceptance**”) and upon, and concurrent with such exercise, Tenant may elect to object to Landlord’s Option Rent Determination. If Tenant exercises the Option but objects to Landlord’s Option Rent Determination contained in the Option Rent Notice, the parties shall follow the procedure, and the Option Rent shall be determined, as set forth in Section 4(d)(iv) below. Failure of Tenant to timely deliver the Interest Notice or Tenant’s Acceptance shall be deemed to constitute Tenant’s failure to exercise the Option. If Tenant fails to timely exercise the Option with respect to the first Option Term, then the Option with respect to the second Option Term shall be void and of no further force or effect. If Tenant timely and properly exercises the subject Option, the Lease Term shall be extended for the subject Option Term upon all of the terms and conditions set forth in this Lease, except that the Base Rent shall be as indicated in the Option Rent Notice or as determined in accordance with Section 4(d)(iv), as applicable, and all references herein to the Term shall include the Option Term.

(iv) Determination of Option Rent. In the event Tenant exercises the Option but objects to Landlord’s Option Rent Determination concurrently with its exercise of the Option, Landlord and Tenant shall attempt to agree in good faith upon the Market Rent. If

Landlord and Tenant fail to reach agreement within twenty (20) days following Tenant's delivery of Tenant's Acceptance (the "**Outside Agreement Date**"), then each party shall make a separate determination of the Market Rent, within five (5) business days after the Outside Agreement Date. If the higher of such estimates is not more than one hundred five percent (105%) of the lower, then the Market Rent shall be the average of the two. Otherwise, the dispute shall be resolved by arbitration in accordance with the remainder of this Section 4(d)(iv).

(1) Landlord and Tenant shall each appoint one arbitrator who shall by profession be a real estate broker who shall have been active over the ten (10)-year period ending on the date of such appointment in the leasing of office space in comparable projects in the Comparable Area. The determination of the arbitrators shall be limited solely to the issue of whether Landlord's or Tenant's submitted Market Rent is the closest to the actual Market Rent, as determined by the arbitrators, taking into account the requirements of Section 4(d)(ii) of this Lease. Each such arbitrator shall be appointed within fifteen (15) business days after the applicable Outside Agreement Date.

(2) The two (2) arbitrators so appointed shall within ten (10) days of the date of the appointment of the last appointed arbitrator agree upon and appoint a third arbitrator who shall be qualified under the same criteria set forth hereinabove for qualification of the initial two (2) arbitrators; provided, however, the third arbitrator shall not have been employed, hired or otherwise retained by Landlord, Tenant or any of their respective parents, affiliates or subsidiaries during the preceding five (5)-year period (the foregoing limitation shall only apply to the individual arbitrator and shall not apply to the arbitrator's brokerage firm).

(3) The three (3) arbitrators shall within fifteen (15) days of the appointment of the third arbitrator reach a decision as to whether the parties shall use Landlord's or Tenant's submitted Market Rent and shall notify Landlord and Tenant thereof.

(4) The decision of the majority of the three (3) arbitrators shall be binding upon Landlord and Tenant.

(5) If either Landlord or Tenant fails to appoint an arbitrator within fifteen (15) business days after the applicable Outside Agreement Date, the arbitrator appointed by one of them shall reach a decision, notify Landlord and Tenant thereof, and such arbitrator's decision shall be binding upon Landlord and Tenant.

(6) If the two (2) arbitrators fail to agree upon and appoint a third arbitrator, or both parties fail to appoint an arbitrator, then the appointment of the third arbitrator shall be canceled or any previously-appointed arbitrator shall be dismissed and the Market Rent to be decided shall be forthwith submitted to arbitration under the provisions of the American Arbitration Association, but subject to the instruction set forth in the second sentence of Section 4(d)(ii)(1).

(7) The cost of arbitration shall be paid by Landlord and Tenant equally.

(v) Amendment of Lease. Promptly after Landlord's receipt of Tenant's Acceptance and the determination of the new Base Rent, Landlord and Tenant shall execute an

amendment to this Lease stating the new Base Rent in effect (which shall be the amount equal to 95% of the Market Rent). In recognition that the Market Rent may not be determined until after the commencement of the subject Option Term, Tenant shall pay, during the subject Option Term until the Market Rent is determined, the amount of Rent (including Base Rent and all other charges) in effect immediately prior to the subject Option Term. If the Market Rent is determined to be greater than such amount, Tenant shall pay Landlord, within thirty (30) days after written request therefor, the difference between the amount required by such determination of the Market Rent and the amount of Base Rent theretofore paid by Tenant during the subject Option Term.

(e) Early Termination. Tenant shall have the right to terminate this Lease at any time after the Early Termination Date, as defined in Section 1, by giving Landlord not less than 270 days prior written notice executed by the Chief Executive Officer of Tenant or its delegee ("**Chief Executive Officer**"). Such notice must specify the date (which cannot be prior to the last day of the 84th full calendar month following the Commencement Date) on which Tenant desires the termination to become effective (the "**Actual Termination Date**"). In the event of such termination, Tenant shall pay Landlord a termination fee in an amount equal to the unamortized balance (using an amortization rate of 7%) of the sum of the Additional Tenant Improvement Allowance granted by Landlord and the leasing commissions paid by Landlord in connection with this Lease (collectively, the "**Termination Payment**"). The Termination Payment shall be paid by the date which is 30 days prior to the Actual Termination Date. After Landlord's receipt of the Termination Payment, and so long as Tenant has surrendered the Premises in the condition required under this Lease, neither party shall have any rights, liabilities or obligations under this Lease for the period accruing after the Actual Termination Date, except those which, by the provisions of this Lease, expressly survive the termination of this Lease.

5. **RENT.**

(a) Base Rent. Base Rent, adjusted as herein provided, shall be payable monthly in advance. Base Rent shall be payable on the first (1st) day of each month beginning on the first (1st) day of the first (1st) full calendar month of the Term as long as Landlord has completed and submitted the annual claim form required by the Auditor Controller of Los Angeles County. Base Rent for any partial month shall be prorated in proportion to the number of days in such month. The obligations of Tenant to pay Base Rent (as defined in the Basic Lease Information) and other sums to Landlord and the obligations of Landlord under this Lease are independent obligations.

(b) Rent Adjustment. At the beginning of the 13th month of the Lease Term (the "**Adjustment Date**") and on every anniversary of the Adjustment Date thereafter (including during each Option Term following the expiration of the first twelve (12) months of each Option Term, if any), Base Rent shall be adjusted by applying the CPI Formula set forth below.

(c) CPI Formula. The Index means the Consumer Price Index for all Urban Consumers for the Los Angeles-Riverside-Orange County, CA area, all items published by the United States Department of Labor, Bureau of Labor Statistics (1982-84=100). The "CPI Formula" means Base Rent multiplied by a fraction, the numerator being the Index published for the month immediately preceding the month the adjustment is to be effective, and the

denominator being the Index published for the month the Lease commenced (the "**Base Index**"). If the Index is changed so that the Index differs from that used as of the Commencement Date of the Lease, the Index shall be converted in accordance with the conversion factor published by the United States Department of Labor, Bureau of Labor Statistics.

If the Index is discontinued or revised during the Term of this Lease, such other governmental Index or computation with which it is replaced shall be used in order to obtain substantially the same results as would be obtained if the Index had not been discontinued or revised.

(d) Illustration of Formula. The formula for determining the new rent shall be as follows:

$$\frac{\text{New Index}}{[\text{Base Index}]} \times \$88,823 \text{ (Base Rent)} = \text{New Monthly Base Rent}$$

(e) Limitations on CPI Adjustment. In no event shall the monthly Base Rent adjustment based upon the CPI formula result in an annual increase less than two and one-half percent (2.5%) or more than four percent (4%) per year of the Base Rent of \$88,823 (i.e. not less than \$2,220.58 per month nor more than \$3,552.92 per month, per annual adjustment). In no event shall the monthly rent be adjusted by the CPI Formula to result in a lower monthly Base Rent than was payable during the previous year of the Lease.

6. **USES.** The Premises are to be used only for the uses set forth in Section 1 and for no other business or purpose; however, Landlord shall not unreasonably withhold its consent to a change of use.

7. **HOLDOVER.** If Tenant remains in possession of the Premises or any part thereof after the expiration of the Term of this Lease, such occupancy shall be a tenancy which is terminable only upon ninety (90) days written notice to Tenant from Landlord or thirty (30) days written notice to Landlord from the Chief Executive Officer of Tenant at the last monthly Base Rent payable under this Lease (as such Base Rent may be adjusted from time to time in accordance with this Lease) plus all other charges payable under this Lease, and subject to all of the terms, covenants and conditions of this Lease. As used herein, the "Final Holdover Date" shall mean the 90th day after Landlord delivers such notice to Tenant or the 30th day after Tenant delivers its notice to Landlord, the case may be. If Tenant fails to vacate the Premises by the Final Holdover Date, then Tenant shall be a tenant at sufferance and, in addition to all other damages and remedies to which Landlord may be entitled for such holding over: (a) Tenant shall pay, in addition to the other Rent, Base Rent equal to one hundred twenty-five percent (125%) of the Base Rent payable during the last month of the Term; and (b) Tenant shall otherwise continue to be subject to all of Tenant's obligations under this Lease. The provisions of this Section 7 shall not be deemed to limit or constitute a waiver of any other rights or remedies of Landlord provided herein or at law. If Tenant fails to surrender the Premises by the Final Holdover Date, in addition to any other liabilities to Landlord accruing therefrom, Tenant shall protect, defend, indemnify and hold Landlord harmless from all loss, costs (including reasonable attorneys' fees) and liability resulting from such failure, including any claims made by any succeeding tenant founded upon such failure to surrender, and any lost profits to Landlord resulting therefrom.

8. **COMPLIANCE WITH LAW.** Tenant shall, at Tenant's expense, comply promptly with all applicable statutes, ordinances, rules, regulations, orders and requirements in effect during the term hereof, regulating the use, occupancy or improvement of the Premises by Tenant. As between Landlord and Tenant: (a) except with respect to the condition of the Premises on the Commencement Date (which shall be Landlord's responsibility), on and after the Commencement Date, Tenant shall bear the risk of complying with Title III of the Americans With Disabilities Act of 1990, any state laws governing handicapped access or architectural barriers, and all rules, regulations, and guidelines promulgated under such laws, as amended from time to time (the "**Disabilities Acts**") within the interior of the Premises; and (b) Landlord shall bear the risk of complying with the Disabilities Acts in the Common Areas including compliance in connection with parking areas of the Property and the path of travel to the exterior doors of the Premises, other than compliance that is necessitated by the use of the Premises for other than the general office use or as a result of any alterations or additions made by Tenant (which risk and responsibility shall be borne by Tenant). Thus, it shall be Landlord's responsibility, at Landlord's sole cost, to cure any non-compliance of the Premises with the Disabilities Acts where such non-compliance was existing as of the Commencement Date and which an applicable governmental authority, if it had knowledge of such condition prior to the Commencement Date, would have then required to be remedied pursuant to then-current Disabilities Acts in their form existing as of the Commencement Date. If Tenant is required to perform any alterations or improvements to the Premises to comply with the terms of this Section 8 and the cost of such work will not exceed \$25,000, Tenant may request that Landlord perform such work at Tenant's sole cost and Tenant shall reimburse Landlord for such costs plus an administrative fee equal to 5% of such costs within thirty (30) days of receipt of a documented invoice therefor.

9. **DAMAGE OR DESTRUCTION.**

(a) Damage. If the Premises are damaged by fire or other casualty (a "**Casualty**"), Landlord shall use good faith efforts to deliver to Tenant within sixty (60) days after such Casualty a good faith estimate (the "**Damage Notice**") of the time needed to repair the damage caused by such Casualty. In the event any portion of the Premises is damaged by a Casualty rendering the Premises totally or partially inaccessible or unusable and the Premises may be restored to a complete architectural unit of the same value, condition and character that existed immediately prior to such Casualty in less than 270 days, then Landlord shall promptly, at Landlord's expense, repair such damage and this Lease shall continue in full force and effect. If all or any portion of the Premises shall be made untenable by a Casualty, Landlord shall promptly secure the area to prevent injury to persons and/or vandalism to the improvements. The failure to do so shall be a material default hereunder. Base Rent shall abate to the extent that the Premises are unusable by Tenant. Tenant waives the provisions of California Civil Code Sections 1932(2) and 1933(4) with respect to any partial or total destruction of the Premises.

(b) Landlord Termination Right. Notwithstanding anything to the contrary set forth in this Lease, if a Casualty damages the Premises or a material portion of the Building and: (1) Landlord estimates that the damage to the Premises cannot be repaired within 270 days following the date of such Casualty; (2) the damage to the Premises exceeds fifty percent (50%) of the replacement cost thereof (excluding foundations and footings), as estimated by Landlord, and such damage occurs during the last two (2) years of the Term; (3) regardless of the extent of

damage to the Premises, Landlord makes a good faith determination that restoring the Building would be uneconomical; or (4) Landlord is required to pay any insurance proceeds arising out of the Casualty to a Landlord's Mortgagee, then Landlord may terminate this Lease by giving written notice of its election to terminate within thirty (30) days after the Damage Notice has been delivered to Tenant.

(c) Tenant Termination Right. In the event any portion of the Premises is damaged by a Casualty rendering the Premises totally or partially inaccessible or unusable and either: (i) the Premises will not be restored to a complete architectural unit of the same value, condition and character that existed immediately prior to such Casualty in less than 270 days for any reason, or (ii) Landlord has undertaken such repairs and such repairs are not substantially completed with 270 days following commencement thereof, then in either case, Tenant may terminate this Lease by giving written notice within ten (10) days after notice from Landlord specifying such time period of repair or the lapse of such 270 day period, as the case may be; and this Lease shall terminate and the Base Rent shall be abated from the date the Premises became untenable. In the event that Tenant does not elect to terminate this Lease, Landlord shall promptly commence and diligently prosecute to completion the repairs to the Building or Premises.

(d) Parking Loss Due to Casualty. If more than ten percent (10%) of the parking spaces allotted to Tenant are unusable due to a Casualty and Tenant is continuing to occupy the Premises and operate therein for the Permitted Use, then after thirty (30) days following such Casualty if Landlord has not been able to repair such parking spaces or to provide alternate on-site or off-site parking, then Tenant shall be entitled to a credit against rent due hereunder at the rate of \$25.00 per day per unusable parking space for the period commencing on the expiration of such 30-day period through the date immediately preceding the date on which such parking spaces are again available to Tenant.

(e) Damage In Last Year. Notwithstanding the foregoing provisions, if any material destruction to the Premises occurs during the last year of the Term, either Landlord or Tenant may terminate this Lease by giving notice to the other not more than 30 days after such destruction, in which case (a) Landlord shall have no obligation to restore the Premises, (b) Landlord may retain all insurance proceeds relating to such destruction, and (c) this Lease shall terminate as of the date which is 30 days after such written notice of termination.

10. REPAIRS AND MAINTENANCE.

(a) Landlord Representations. Landlord represents to Tenant that (i) the Premises, the Building and all Common Areas, (including electrical, heating, ventilating and air conditioning ("HVAC"), mechanical, plumbing, gas and fire/life safety systems in the Building and similar building service systems) comply with all current laws, codes, and ordinances, including the Disabilities Act; and are in reasonable good working order and condition; and (ii) except as set forth in Section 10(b) below, Landlord has not received any notice from any governmental agency that the Building or the Premises are in violation of any law or regulation. Landlord represents, based upon a professional inspection of the Premises and the Building and the Asbestos Report that the Premises and the Building contain no asbestos containing materials (other than as may be reflected in the Asbestos Report).

(b) Shell Station. Tenant has been advised by Landlord that test-wells have been installed along the perimeter of the Complex to measure possible groundwater contamination from a neighboring Shell gas station.

(c) Landlord Obligations. Landlord shall keep and maintain in good repair and working order and promptly make repairs to and perform maintenance upon and replace as needed: (i) the structural elements of the Building, including without limitation, all permanent exterior and interior walls, floors and ceilings, roof, concealed plumbing, stairways, concealed electrical systems and telephone intrabuilding network cable (ii) mechanical (including HVAC), electrical, plumbing and fire/life safety systems serving the Building (iii) the Common Areas; (iv) exterior windows of the Building; and (v) elevators serving the Building. Landlord, at its sole cost and expense, shall also perform all maintenance and repairs to the Premises, and shall keep the Premises in good condition and repair, reasonable wear and tear excepted. In addition, Landlord shall be responsible for maintaining and repairing (but not replacing) the following elements of the Premises: (A) the floor covering, (B) interior partitions, (C) doors, (D) the interior sides of demising walls, and (E) Tenant's signage. Following completion of the Tenant Improvements (as defined in the Work Letter attached hereto as Exhibit L) and the expiration of any warranty periods with respect to such work, Landlord shall have no obligation to refurbish and/or replace any element of the Premises. If Tenant is required to perform repairs to the Premises to comply with the terms of Section 10(d) below and the cost of such work will not exceed \$25,000, Tenant may request that Landlord perform such work at Tenant's sole cost and Tenant shall reimburse Landlord for such costs plus an administrative fee equal to 5% of such costs within thirty (30) days of receipt of a documented invoice therefor.

(d) Tenant Obligations. Without limiting Landlord's obligations described in Section 10(c), Tenant shall, at Tenant's sole expense, be responsible for: (i) the cost of repairing any area damaged by Tenant or Tenant's agents, employees, invitees and visitors; (ii) the repair of electronic, phone and data cabling and related equipment that is installed by or for the exclusive benefit of Tenant; (iii) maintenance and repair of the supplemental air conditioning units servicing the server rooms installed in the Premises for or on behalf of Tenant; (iv) maintenance and repair of the phone rooms used exclusively by Tenant; (v) maintenance and repair of the Alterations performed by contractors retained by or on behalf of Tenant; and (vi) maintenance and repair of all of Tenant's furnishings, trade fixtures, equipment and inventory. All repairs and replacements shall: (a) be made and performed by contractors or mechanics approved by Tenant, which consent shall not be unreasonably withheld or delayed; (b) be at least equal in quality, value and utility to the original work or installation; and (c) be performed in accordance with all laws. Notwithstanding the foregoing, with respect to clause (iii) above, Landlord shall perform such work at Tenant's sole cost and Tenant shall reimburse Landlord for such costs plus an administrative fee equal to 5% of such costs within thirty (30) days of receipt of a documented invoice therefor; provided, however, that in no event shall Landlord be liable for any losses resulting from Landlord's failure to properly maintain the supplemental air conditioning units in the server rooms.

(e) Tenant's Right to Repair. If Tenant provides written notice (or oral notice in the event of an emergency such as damage or destruction to or of any portion of the Building structure and/or the Building systems which threatens life or where there is imminent danger to property or a possibility that a failure to take immediate action could cause a material disruption

in Tenant's normal and customary business activities which is part of Landlord's obligations described in Section 10(c) above) to Landlord of an event or circumstance which requires the action of Landlord with respect to repair and/or maintenance, and Landlord fails to provide such action within a reasonable period of time (which shall not be less than thirty (30) days), given the circumstances, after the giving of such notice, then Tenant may (but shall not be required to) following a second notice (which notice shall have a heading in at least 14-point type, bold and all caps "**FAILURE TO RESPOND SHALL RESULT IN TENANT EXERCISING SELF HELP RIGHTS**") and Landlord's failure to commence repairs within five (5) business days after receipt of such second notice, proceed to take the required action (provided, however, that no such notice shall be required in the event of an emergency which threatens life or where there is imminent danger to property or a possibility that a failure to take immediate action could cause a material disruption in Tenant's normal and customary business activities). Tenant shall have access to the Building to the extent necessary to perform the work contemplated by this provision. If such action was required under the terms of this Lease to have been taken by Landlord and was not taken by Landlord within such period (unless such notice was not required as provided above), and Tenant took such required action, then Tenant shall be entitled to prompt reimbursement by Landlord of Tenant's reasonable costs and expenses in having taken such action plus interest at the Default Rate (as defined in Section 29(1)). The remedies provided in this Section are in addition to the remedies provided in Section 14. All work performed by Tenant or its agents in accordance with this Section 10(e) must be performed: (x) at a reasonable cost and rate, and (y) so as to minimize interference with the rights of other tenants to use their premises in the Complex. The rights set forth in this Section 10(e) are personal to Los Angeles County and shall not inure to the benefit of any successor, assign or subtenant of Los Angeles County.

11. SERVICES AND UTILITIES.

Landlord shall be responsible for providing the following services, utilities and utility charges associated with the Premises at Landlord's sole cost and expense (except as otherwise provided below):

(a) Heating, Ventilation and Air Conditioning. Landlord shall furnish heating, ventilation and air conditioning ("HVAC"), during Normal Working Hours in amounts required for the use and occupancy of the Premises for normal office purposes to a standard comparable to other first-class buildings in the Pomona area. Outside of the aforementioned hours in this Section 11(a), Tenant shall pay Landlord for after-hours HVAC at the rate of \$40.00 per hour. Tenant shall provide notice at least 24 hours in advance from when after-hours HVAC are needed and after-hours HVAC shall be provided at a minimum of two hours. Landlord's after-hours HVAC rate is subject to annual increase to the extent of any increases in utility costs.

(b) Electricity. Landlord shall furnish to the Premises the amount of electric current provided for in the Working Drawings (if applicable) but in any event not less than seven watts of electric current (connected load) per square foot of Rentable Square Feet in the Premises, for power and lighting and electric current for HVAC, and Landlord shall provide the existing or new transformers or subpanels on each floor of the Premises necessary for Tenant to utilize such capacity in the Premises.

(c) Elevators. Landlord shall furnish freight and passenger elevator services to the Premises during Normal Working Hours. During all other hours, Landlord shall furnish passenger elevator cab service in the elevator bank serving the Premises on an as needed basis, and, by prior arrangement with Landlord's building manager, freight elevator service.

(d) Water. Landlord shall make available water for normal lavatory and potable water meeting all applicable governmental standards for drinking purposes in the Premises.

(e) Janitorial. Landlord shall provide janitorial service on five nights per week generally consistent with that furnished in comparable office buildings in the County of Los Angeles, but not less than the services set forth in the specifications set forth in Exhibit C attached hereto.

(f) Access. Landlord shall furnish to Tenant's employees and agents access to the Building, Premises and Common Areas on a seven day per week, 24 hour per day basis, subject to compliance with such reasonable security measures as shall from time to time be in effect for the Building.

12. **LANDLORD ACCESS.** Tenant shall permit Landlord and its agents to enter the Premises upon prior written notice for the purpose of inspecting the Premises for any reasonable purpose. If Landlord temporarily closes any portion of the Building or Premises, Base Rent shall be prorated based upon the percentage of the Premises or Building rendered untenable and not used by Tenant. Landlord shall have the right at any and all times to enter the Premises in the event of an emergency.

13. **TENANT DEFAULT.**

(a) Default. The occurrence of any one or more of the following events (a "**Tenant Default**") shall constitute a material default and breach of this Lease by Tenant:

(i) The failure by Tenant to make any payment of Base Rent or any other payment required to be made by Tenant hereunder (except to the extent an offset is expressly permitted hereunder), as and when due and if the failure continues for a period of ten days after written notice to Tenant; provided, however, that Landlord shall not be obligated to provide written notice of monetary default more than two (2) times in any calendar year, and each subsequent monetary default shall be an Tenant Default if not received within five (5) days after the same is due; provided further, such notice shall be in lieu of, and not in addition to, any notice required under Section 1161 et seq. of the California Code of Civil Procedure;

(ii) The failure by Tenant to observe or perform any of the other covenants, conditions or provisions of this Lease, where such failure shall continue for a period of 30 days after written notice from Landlord specifying in detail the nature of the Tenant Default; provided, however, if more than 30 days are reasonably required for its cure then Tenant shall not be deemed to be in default if Tenant commences such cure within said 30-day period and thereafter diligently prosecutes such cure to completion.

(b) Landlord Remedies. Tenant agrees that if a Tenant Default should occur and should not be cured within the applicable time period set forth above, Landlord may in its sole

discretion terminate this Lease by giving written notice thereof to Tenant. In addition thereto, Landlord shall have such other rights or remedies as may be provided by law, including without limitation, the right to recover from Tenant all damages suffered by Landlord as a result of such Tenant Default, which damages shall include, without limitation, (i) all rental amounts which have accrued under the Lease through the date of termination and (ii) all costs incurred by Landlord (including court costs and reasonable attorneys' fees and expenses) in: (1) obtaining possession of the Premises; (2) removing and storing Tenant's or any other occupant's property; (3) repairing, restoring, altering, remodeling, or otherwise putting the Premises into condition acceptable to a new tenant as well as lost rents between the date of the termination of the Lease and the date on which the Premises are re-leased; (4) performing Tenant's obligations under the Lease which Tenant failed to perform; and (5) enforcing, or advising Landlord of, its rights, remedies, and recourses arising out of the Tenant Default.

(c) No Effect on Indemnity. Nothing in this Article shall be deemed to affect either Landlord or Tenant's right to indemnification under any indemnification clause or clauses set forth in this Lease.

14. **LANDLORD DEFAULT.**

(a) Remedies. Landlord shall be in default ("**Landlord Default**") in the performance of any obligation required to be performed by Landlord under this Lease, if Landlord has failed to perform such obligation within thirty (30) days after the giving of written notice with respect thereto by Tenant (which notice shall be, if appropriate, the same notice given under Section 10(c)); provided, however, that if the nature of the Landlord Default is such that the same cannot reasonably be cured within such thirty (30)-day period, Landlord shall not be deemed to be in Landlord Default if Landlord shall within such period commence such cure and thereafter diligently prosecute the same to completion. If the Landlord Default is of such a nature that it materially and substantially interferes with Tenant's occupancy and use of the Premises and if such Landlord Default is not cured within the foregoing cure period, then Tenant shall have the right, at its option, with or without further notice or demand of any kind to Landlord or any other person, to any one or more of the following described remedies in addition to all other rights and remedies provided at law or in equity or elsewhere herein: (i) to pursue the remedy of specific performance; and (ii) to seek money damages for loss arising from Landlord's failure to discharge its obligations under this Lease.

(b) Waiver. Nothing herein contained shall relieve Landlord from its duty to effect the repair, replacement, correction or maintenance required to restore any affected services, or to perform any other obligations to the standard prescribed in this Lease, nor shall this Section be construed to obligate Tenant to undertake any such work.

(c) Emergency. Notwithstanding the foregoing cure period, Tenant may cure any default without notice where the failure immediately to cure such default would, in the reasonable opinion of Tenant, create or allow to persist an emergency condition, i.e., a condition which threatens life or where there is imminent danger to property or a possibility that a failure to take immediate action could cause a material disruption in Tenant's normal and customary business activities. Any cure rights that Tenant exercises pursuant to this Section 14(c) shall be subject to the rights and limitations set forth in Section 10(e).

15. **ASSIGNMENT AND SUBLETTING.** Tenant may not assign, mortgage, encumber or otherwise transfer this Lease or sublet the whole or any part of the Premises without first obtaining Landlord's prior consent: provided, however, that no such assignment, subletting or other transfer shall relieve Tenant of any liability under this Lease unless Landlord has given its written consent thereto, which Landlord shall not unreasonably withhold if the assignee has a financial condition which is reasonably sufficient for it to be responsible for all future obligations under this Lease. No assignment or subletting shall release Tenant from its obligations under this Lease, but rather Tenant and its transferee shall be jointly and severally liable therefor.

16. **ALTERATIONS AND ADDITIONS.**

(a) Landlord Consent. Tenant shall not make any structural alterations, improvements, additions, or utility installations in or about the Premises (collectively, "**Alterations**") without first obtaining the written consent of Landlord, which consent shall not be unreasonably withheld, conditioned or delayed. However, Landlord's consent shall not be required for any Alteration that satisfies all of the following criteria: (1) complies with all Laws; (2) is not visible from the exterior of the Premises or Building; (3) will not materially affect the systems or structure of the Building; (4) does not cost in excess of \$50,000 in the aggregate in any single calendar year; and (5) does not unreasonably interfere with the normal and customary business office operations of other tenants in the Building. If Landlord fails to notify Tenant of Landlord's reasonable approval, approval with reasonable conditions or reasonable disapproval of any proposed Alteration within the fourteen (14) day period following receipt of plans for same, then Tenant shall have the right to provide Landlord with a second written request for approval (a "**Second Request**") that contains the following statement in bold and capital letters: "**THIS IS A SECOND REQUEST FOR APPROVAL OF ALTERATIONS PURSUANT TO THE PROVISIONS OF SECTION 16(A) OF THE LEASE. IF LANDLORD FAILS TO RESPOND WITHIN FIVE (5) BUSINESS DAYS AFTER RECEIPT OF THIS NOTICE, THEN LANDLORD SHALL BE DEEMED TO HAVE APPROVED THE WORK DESCRIBED THEREIN.**" If Landlord fails to respond to such Second Request within five (5) business days after receipt by Landlord, the Alterations in question shall be deemed approved by Landlord.

Tenant shall reimburse Landlord within thirty (30) days after the rendition of a bill for all of Landlord's reasonable actual out-of-pocket costs incurred in connection with any Alterations, including all management, engineering, outside consulting, and construction fees incurred by or on behalf of Landlord for the review and approval of Tenant's plans and specifications and for the monitoring of construction of the Alterations and substantiated by the appropriate documentation and invoices. If Landlord consents to the making of any Alteration, such Alteration shall be made by Tenant at Tenant's sole cost and expense by a contractor approved in writing by Landlord. Tenant shall require its contractor to maintain insurance in such amounts and in such form as Landlord may reasonably require. If the Alterations which Tenant causes to be constructed result in Landlord being required to make any alterations and/or improvements to other portions of the Complex in order to comply with any applicable Laws, then Tenant shall reimburse Landlord upon demand for all reasonable costs and expenses incurred by Landlord in making such alterations and/or improvements. All construction work done by Tenant within the Premises shall be performed in a good and workmanlike manner with new materials of first-class quality, lien-free and in compliance with all Laws, and in such manner as to cause a minimum of

interference with other construction in progress and with the transaction of business in the Complex. Tenant agrees to indemnify, defend and hold Landlord harmless against any loss, liability or damage resulting from such work. The foregoing indemnity shall survive the expiration or earlier termination of this Lease. Landlord's consent to or approval of any Alterations (or the plans therefor) shall not constitute a representation or warranty by Landlord, nor Landlord's acceptance, that the same comply with sound architectural and/or engineering practices or with all applicable laws, and Tenant shall be solely responsible for ensuring all such compliance.

(b) End of Term. Any Alterations made by Tenant shall remain on and be surrendered with the Premises upon the expiration or sooner termination of this Lease, unless Landlord requires the removal of such Alterations. If Landlord requires the removal of such Alterations, Tenant shall at its sole cost and expense, forthwith and with all due diligence (but in any event not later than the expiration date or earlier termination of the Lease) remove all or any portion of any Alterations made by Tenant which are designated by Landlord to be removed (including without limitation stairs, bank vaults and cabling, if applicable) and repair and restore the Premises in a good and workmanlike manner to their original condition, reasonable wear and tear excepted. Any Alterations not removed by Tenant shall become the property of Landlord and remain upon and be surrendered with the Premises at the expiration of the Term. Upon the expiration or earlier termination of the Lease, Tenant shall not be required to remove any element of the Tenant Improvements constructed in the Premises by Landlord pursuant to the Work Letter attached hereto as Exhibit L.

17. CONDEMNATION.

(a) Controlling Terms. If during the Term, or during the period of time between the execution of this Lease and the Commencement Date, there is any taking of all or any part of the Premises or any interest in this Lease by Condemnation (as defined below), this Section shall determine the rights and obligations of Tenant and Landlord. "Condemnation" shall mean the exercise of any governmental power to take title to any portion of the Premises, whether by legal proceedings or otherwise, by a Condemnor (as defined below) or a voluntary sale or transfer by Landlord to any Condemnor, either under threat of a Condemnor's exercise of such power or while legal proceedings are pending for the exercise of such power. "Condemnor" shall mean any public or quasi-public authority, or private corporation or individual, having the power of Condemnation.

(b) Total Taking. If the Premises are totally taken by Condemnation, this Lease shall terminate on the date the Condemnor has a right to possession of the Premises (the "**Date of Taking**").

(c) Partial Taking. If any portion, but not all, of the Premises is taken by Condemnation, this Lease shall remain in effect, except that Tenant may elect to terminate this Lease if, in Tenant's reasonable judgment, the remaining portion of the Premises (including the space available for parking) is rendered unsuitable for Tenant's continued use of the Premises. If Tenant elects to so terminate this Lease, Tenant must exercise its right to terminate by giving notice to Landlord within 30 days after the date that the nature and the extent of the Condemnation have been determined (the "**Determination Date**"), which notice shall set forth

the date of termination. Such termination date shall not be earlier than 30 days nor later than 90 days after Tenant has notified Landlord of its election to terminate; except that this Lease shall terminate on the Date of Taking if the Date of Taking falls on a date before the date of termination as designated by Tenant. If Tenant does not so notify Landlord within 30 days after the Determination Date, all obligations of Tenant under this Lease shall remain in effect, except that Base Rent shall be equitably abated.

(d) Restoration. Notwithstanding the preceding paragraph, if, within 30 days after the Determination Date, Landlord notifies Tenant that Landlord at its cost will add to the remaining Premises so that the area of the Premises and the space available for parking, will be substantially the same after the Date of Taking as they were before the Date of Taking, and Landlord commences the restoration promptly and, subject to reasonable allowance for delays that are not caused by Landlord, completes it within 90 days after Landlord so notifies Tenant, this Lease shall continue in effect. All obligations of Tenant under this Lease shall remain in effect, except that Base Rent shall be equitably abated or reduced during the period from the Date of Taking until the completion of such restoration.

(e) Award. If any Condemnation occurs, then Landlord shall receive the entire Award or other compensation for the land, the Building, and other improvements taken; however, Tenant may separately pursue a claim against the Condemnor for the value of Tenant's personal property which Tenant is entitled to remove under this Lease, moving costs, loss of business, and other claims it may have. "Award" shall mean all compensation, sums or anything of value awarded, paid or received on a total or partial Condemnation of the Premises.

(f) Waiver of Statute. Landlord and Tenant hereby waive the provision of California Code of Civil Procedure Section 1265.130 allowing Landlord or Tenant to petition the superior court to terminate this Lease in the event of a partial taking of the Premises.

18. **INDEMNIFICATION.**

(a) Tenant's Indemnity. Subject to Section 19(d) below and except to the extent caused by the gross negligence or willful misconduct of Landlord, its employees, agents and contractors, Tenant shall indemnify, defend and hold Landlord, its Property Manager, Invesco Advisers, Inc., any subsidiary or affiliate of the foregoing, and their respective officers, directors, shareholders, partners, employees, managers, contractors, attorneys and agents (collectively, the "**Landlord Indemnitees**") harmless from and against all loss, cost and expense, including reasonable attorneys' fees, arising from any injury or damage to any person or property, occurring in or about the Building or Premises as a result of: (i) any negligent act, omission or willful misconduct of Tenant or its employees, or (ii) any breach or default under this Lease by Tenant. The foregoing provisions shall not be construed to make Tenant responsible for loss, damage, liability or expense resulting from injuries to third parties caused by the gross negligence or willful misconduct of Landlord, or its officers, contractors, licensees, agents, employees or invitees. Nothing in this Lease shall be construed, either expressly or impliedly, to waive, limit, or supersede any of Tenant's rights or immunities under the California Labor Code, including but not limited to a waiver pursuant to section 3864 of the Labor Code.

(b) Landlord's Indemnity. Subject to Section 19(d) below, Landlord shall indemnify, defend and hold Tenant harmless from and against all loss, cost and expense, including reasonable attorneys' fees, arising from any injury or damage to any person or property, occurring in or about the Building or Premises as a result of the gross negligence or willful misconduct of Landlord, or its officers, contractors, licensees, agents, employees, guests, or visitors. The foregoing provisions shall not be construed to make Landlord responsible for loss, damage, liability or expense resulting from injuries to third parties caused by the negligence or willful misconduct of Tenant, or its officers, contractors, licensees, agents, employees or invitees.

19. **INSURANCE.**

(a) Tenant's Insurance; Self-Insurance. In the event that Los Angeles County assigns its interest in this Lease or sublets any portion of the Premises, then such assignee or subtenant, as the case may be, shall be required to carry the insurance described in Exhibit K attached hereto and made a part hereof. Notwithstanding anything to the contrary set forth in Exhibit K, Landlord acknowledges that Tenant will be self-insuring as to the coverages required to be carried by Tenant pursuant to Exhibit K, which shall be permitted so long as Tenant is Los Angeles County. In the event of a Casualty loss or other event that is or would have been covered by the insurance required to be maintained by Tenant hereunder, Tenant shall promptly make funds available for use by Landlord in the same manner as would have been available to Landlord if Tenant had obtained the insurance coverage required by the provisions hereof with customary deductible amounts. In the event that Tenant elects to self-insure as set forth above and a claim occurs for which Tenant has indemnified Landlord hereunder and a defense and/or coverage would have been available from the insurance company, Tenant shall: (i) undertake the defense of any such claim, including a defense of Landlord, at Tenant's sole cost and expense; and (ii) use its own funds to pay any such claim or replace any property or otherwise provide the funding which would have been available from insurance proceeds but for such election by Tenant to so self-insure. If, as a supplement to Tenant's self-insurance program, Tenant obtains an insurance policy or policies from an insurance company, the provisions of Exhibit K shall apply in full to such insurance policy or policies and if Tenant ceases to self-insure Tenant shall give notice thereof to Landlord and shall immediately comply with the provisions of Exhibit K relating to the policy of insurance required. This right to self insure is personal to Los Angeles County and shall not inure to the benefit of any successor, assign or subtenant of Tenant.

(b) Landlord's Insurance. During the term of this Lease, Landlord shall maintain the following insurance:

(i) property insurance for the Building's replacement value including ordinance or law coverage (excluding property required to be insured by Tenant), less a commercially-reasonable deductible if Landlord so chooses. Landlord shall carry insurance on any furniture and furnishings which will become the property of Tenant at the expiration of the Term and on all modular furniture installed in the Premises. Insurance proceeds shall be payable to Landlord.

(ii) commercial general liability insurance in an amount of not less than \$3,000,000 per occurrence.

(iii) Failure by Landlord to maintain the insurance required by this Section and deliver evidence thereof as required by this Lease or to use any insurance proceeds to timely repair and restore the Premises shall constitute a material breach of this Lease.

(c) Insurance Requirements. All insurance policies required to be maintained by Landlord under this Lease shall be issued by insurance companies which have a Best's Rating of "AVII" or better and which are qualified to do business in the State of California. The foregoing insurance policies and any other insurance carried by Landlord shall be for the sole benefit of Landlord and under Landlord's sole control, and Tenant shall have no right or claim to any proceeds thereof or any other rights thereunder.

(d) Waiver of Subrogation. Notwithstanding any other provision of this Lease to the contrary, neither Landlord nor Tenant nor their respective officers, directors, members, partners, agents or employees shall be liable to the other for any injury, damage to or theft, destruction, loss, or loss of use of any property (collectively, a "Loss") caused by any risk, to the extent the same is insured (or is subject to a party's self-insurance program) against under any insurance policy that covers the Building, the Premises, Landlord's or Tenant's fixtures, personal property, leasehold improvements, or business, or is required to be insured against under the terms hereof (whether or not such insurance is in fact in effect), regardless of cause or origin, including if the negligence of the other party hereto, or the negligence of its officers, directors, members, partners, agents or employees, caused such Loss, and each of Landlord and Tenant hereby waives any rights of recovery against the other and its respective officers, directors, members, partners, agents or employees for any Loss on account of such insured risks. Landlord and Tenant each hereby waive any right of subrogation and right of recovery or cause of action for injury including death or disease to respective employees of either as covered by worker's compensation (or which would have been covered if Tenant or Landlord as the case may be, was carrying the insurance as required by this Lease). Each party shall cause its insurance carrier to endorse all applicable policies waiving the carrier's rights of recovery under subrogation or otherwise against the other party. Landlord and Tenant each acknowledges that the waivers and releases set forth in this Section 19(d) are intended to produce the result that any Loss which is covered by insurance (or is subject to a party's self-insurance program) would be borne by the insurance carriers of Landlord or Tenant, as the case may be, or by the party having the insurable interest if such Loss is not covered by insurance but this Lease requires such party to maintain insurance to cover such Loss. Landlord and Tenant agree that such waivers and releases were freely bargained for and willingly and voluntarily agreed to by Landlord and Tenant and do not constitute a violation of public policy.

20. **PARKING.** Tenant shall have the right to the number of exclusive reserved parking stalls set forth in Section 1 without charge for the Term of this Lease. No tandem parking shall be permitted and Tenant shall be entitled to full in/out privileges. Tenant's parking rights shall be subject to reasonable parking rules and regulations adopted by Landlord from time to time, provided that such procedures shall be uniformly applied to all tenants. Tenant acknowledges that all other parking spaces are not for the exclusive use of Tenant, rather, all such parking spaces are to be used on a non-exclusive, first-come, first-served basis by Tenant and other tenants, occupants, licensees, invitees and permittees of the Building. If any of the parking spaces allotted to Tenant hereunder are temporarily made unavailable to Tenant due to the actions of Landlord or a third party, then after ten (10) days if Landlord is unable to provide

alternate on-site or off-site parking, then Tenant shall be entitled to a credit against rent due hereunder at the rate of \$25.00 per day per unavailable parking space for the period commencing on the expiration of such 10-day period through the date immediately preceding the date on which such parking spaces are again available to Tenant.

21. ENVIRONMENTAL MATTERS

(a) Hazardous Materials. Tenant shall not cause nor permit, nor allow any of Tenant's employees, agents, customers, visitors, invitees, licensees, contractors, assignees or subtenants to cause or permit, any Hazardous Materials to be brought upon, stored, manufactured, generated, blended, handled, recycled, treated, disposed or used on, under or about the Premises, the Building or the Common Areas, except for routine office and janitorial supplies in usual and customary quantities stored, used and disposed of in accordance with all applicable Environmental Laws. As used herein, "Hazardous Materials" means any chemical, substance, material, controlled substance, object, condition, waste, living organism or combination thereof, whether solid, semi solid, liquid or gaseous, which is or may be hazardous to human health or safety or to the environment due to its radioactivity, ignitability, corrosivity, reactivity, explosivity, toxicity, carcinogenicity, mutagenicity, phytotoxicity, infectiousness or other harmful or potentially harmful properties or effects, including, without limitation, molds, toxic levels of bacteria, tobacco smoke within the Premises, petroleum and petroleum products, asbestos, radon, polychlorinated biphenyls (PCBs), refrigerants (including those substances defined in the Environmental Protection Agency's "Refrigerant Recycling Rule," as amended from time to time) and all of those chemicals, substances, materials, controlled substances, objects, conditions, wastes, living organisms or combinations thereof which are now or become in the future listed, defined or regulated in any manner by any Environmental Law based upon, directly or indirectly, such properties or effects. As used herein, "Environmental Laws" means any and all federal, state or local environmental, health and/or safety-related laws, regulations, standards, decisions of courts, ordinances, rules, codes, orders, decrees, directives, guidelines, permits or permit conditions, currently existing and as amended, enacted, issued or adopted in the future which are or become applicable to Tenant, the Premises, the Building or the Common Areas.

(b) Non-Liability of Tenant. In no event shall Tenant have any liability in connection with any Hazardous Materials that were located at the Premises or the Complex on the Commencement Date, nor any Hazardous Materials placed on the Premises or the Complex by Landlord, its employees, agents, or contractors.

22. **ESTOPPEL CERTIFICATES.** Tenant shall, within 30 days after written request of Landlord, execute, acknowledge and deliver to Landlord or its designee a written statement in the form of Exhibit D attached hereto and incorporated herein by this reference, but shall have no other obligation to deliver any other form of estoppel certificate. It is intended that any such statement delivered pursuant to this Section may be relied upon by a prospective purchaser of Landlord's interest or holder of any mortgage upon Landlord's interest in the Premises.

23. **TENANT IMPROVEMENTS.** Promptly following the Lease Approval Date, Landlord shall commence the design and construction of the Tenant Improvements in the manner set forth

in the Landlord's Work Letter in the form attached hereto as Exhibit L and executed by Landlord and Tenant concurrently herewith.

24. **LIENS.** If a lien on the Premises or the Complex is filed arising out of work performed or materials ordered or obligations incurred by Tenant, then Tenant shall, within ten (10) days after Landlord has delivered notice of the filing thereof to Tenant (or such earlier time period as may be necessary to prevent the forfeiture of the Premises, Complex or any interest of Landlord therein or the imposition of a civil or criminal fine with respect thereto), either: (1) pay the amount of the lien and cause the lien to be released of record; or (2) diligently contest such lien and deliver to Landlord a bond or other security reasonably satisfactory to Landlord. If Tenant fails to timely take either such action, then Landlord may pay the lien claim, and any amounts so paid, including expenses and interest, shall be paid by Tenant to Landlord within ten (10) days after Landlord has invoiced Tenant therefor. Landlord and Tenant acknowledge and agree that their relationship is and shall be solely that of "landlord-tenant" (thereby excluding a relationship of "owner-contractor," "owner-agent" or other similar relationships). Accordingly, all materialmen, contractors, artisans, mechanics, laborers and any other persons now or hereafter contracting with Tenant, any contractor or subcontractor of Tenant or any other Tenant Party for the furnishing of any labor, services, materials, supplies or equipment with respect to any portion of the Premises, at any time from the date hereof until the end of the Term, are hereby charged with notice that they look exclusively to Tenant to obtain payment for same. Nothing herein shall be deemed a consent by Landlord to any liens being placed upon the Premises, Complex or Landlord's interest therein due to any work performed by or for Tenant or deemed to give any contractor or subcontractor or materialman any right or interest in any funds held by Landlord to reimburse Tenant for any portion of the cost of such work. Tenant shall indemnify, defend and hold harmless the Landlord Indemnitees from and against all claims, demands, causes of action, suits, judgments, damages and expenses (including attorneys' fees) in any way arising from or relating to the failure by any Tenant Party to pay for any work performed, materials furnished, or obligations incurred by or at the request of a Tenant Party. The foregoing indemnity shall survive termination or expiration of this Lease.

25. **SUBORDINATION AND MORTGAGES**

(a) Subordination and Non-Disturbance. Tenant agrees, at Landlord's option, to subordinate this Lease to the lien of any mortgages or deeds of trust now or hereafter in force against the Building; provided, however, Tenant's obligation to subordinate this Lease is expressly conditioned upon Tenant receiving a written agreement in the form of Exhibit E attached hereto and incorporated herein by this reference, and provided further that no such subordination shall affect any option to extend the Term of this Lease, right of first offer to lease additional premises, option to purchase or right of first offer to purchase the Property which may be included herein.

(b) Existing Deeds of Trust. The beneficiary under any existing deed of trust affecting the Building shall provide a written agreement to Tenant, in the form of Exhibit F attached hereto and incorporated herein by this reference, within 30 days after the Lease.

(c) Request for Notice. Landlord acknowledges that Tenant intends to record a Request for Notice with respect to any mortgages or deeds of trust affecting the Property in the form of Exhibit G attached hereto and incorporated herein by this reference.

(d) Notice of Default. If any mortgagee or beneficiary under a deed of trust affecting the Property gives written notice of its name and address to Tenant by registered mail requesting any such notice with reference to this Section, Tenant agrees to use its best efforts (but without liability for failure to do so) to give such mortgagee a copy of any notice of default served upon Landlord hereunder which could permit Tenant to terminate this Lease and an additional ten (10) days within which to cure such default.

26. **SURRENDER OF POSSESSION.** Subject to casualty, at the expiration of the Term of this Lease, whether by lapse of time or otherwise, Tenant shall promptly and peacefully surrender the Premises to Landlord in a "broom-clean" condition. Tenant shall (but shall not be required to) remove, at its own expense, all fixtures, equipment and all other personal property placed or installed in or upon the Premises by Tenant, or under its authority (including any modular furniture).

27. **SIGNAGE.** Subject to compliance with Landlord's sign criteria for the Complex, Tenant shall be permitted to install at the Premises reasonably appropriate signs that conform with any and all applicable laws and ordinances. Upon request of Landlord, Tenant shall immediately remove any sign, advertising material or lettering which Tenant has placed or permitted to be placed upon the exterior or interior surface of any door or window or at any point inside the Premises, which in Landlord's reasonable opinion, is of such a nature as to not be in keeping with the standards of the Building, provided such request is not contrary to any applicable law, regulation or County policy. If Tenant fails to do so, Landlord may without liability remove the same at Tenant's expense. Tenant shall comply with such regulations as may from time to time be promulgated by Landlord governing signs, advertising material or lettering of all tenants in the Complex. Tenant, upon vacation of the Premises, or the removal or alteration of its sign for any reason, shall be responsible for the repair, painting or replacement of the Building fascia surface or other portion of the Building where signs are attached. If Tenant fails to do so, Landlord may have the sign removed and the cost of removal shall be payable by Tenant within ten (10) days of invoice.

28. **QUIET ENJOYMENT.** So long as Tenant is not in default hereunder, Tenant shall have the right to the quiet and peaceful enjoyment and possession of the Premises without hindrance from Landlord or any party claiming by, through or under Landlord, but not otherwise, subject to the terms and conditions of this Lease.

29. **GENERAL**

(a) Headings. Titles to Sections of this Lease are not a part of this Lease and shall have no effect upon the construction or interpretation of any part hereof.

(b) Successors and Assigns. All of the covenants, agreements, terms and conditions contained in this Lease shall inure to and be binding upon the Landlord and Tenant and their respective successors and assigns.

(c) Brokers. Landlord and Tenant each represent and warrant to each other that it has not engaged any broker, finder or other person who would be entitled to any commission or fees in respect of the negotiation, execution or delivery of this Lease other than as disclosed to the other in writing and shall indemnify and hold harmless each other against any loss, cost, liability or expense incurred by the other party as a result of any claim asserted by any such broker, finder or other person on the basis of any arrangements or agreements made or alleged to have been made in variance with this representation. Tenant shall receive from Landlord or Landlord's broker, within ten (10) days after the execution of this Lease, an amount equal to 50% of all commissions due to Landlord's broker as a result of the execution of this Lease.

(d) Entire Agreement. This Lease (and the Landlord's Work Letter) is the final and complete expression of Landlord and Tenant relating in any manner to the leasing, use and occupancy of the Premises, to Tenant's use of the Building and other matters set forth in this Lease. No prior agreements or understanding pertaining to the same shall be valid or of any force or effect and the covenants and agreements of this Lease shall not be altered, modified or added to except in writing signed by both Landlord and Tenant.

(e) Severability. Any provision of this Lease which shall prove to be invalid, void or illegal shall in no way affect, impair or invalidate any other provision hereof and the remaining provisions hereof shall nevertheless remain in full force and effect.

(f) Notices. All notices and communications to any party hereunder shall be in writing and shall be deemed properly given if delivered personally, sent by registered or certified mail, postage prepaid, or by a recognized overnight commercial messenger providing proof of delivery, facsimile (electronically confirmed) to Landlord's Address for Notice and Tenant's Address for Notice as set forth in Section 1. Any notice so given shall be deemed to have been given as of the date of delivery (whether accepted or refused) established by U.S. Post Office return receipt or the overnight carrier's proof of delivery, as the case may be. Any such notice not so given shall be deemed given upon receipt of the same by the party to whom the same is to be given.

(g) Governing Law and Forum. This Lease shall be governed by and construed in accordance with the internal laws of the State of California. Any litigation with respect to this Lease shall be conducted in the County of Los Angeles, State of California.

(h) Waivers. No waiver by Landlord or Tenant of any provision hereof shall be deemed a waiver of any other provision hereof or of any subsequent breach by Landlord or Tenant of the same or any other provision. Landlord's or Tenant's consent to or approval of any act shall not be deemed to render unnecessary the obtaining of Landlord's or Tenant's consent to or approval of any subsequent act by Landlord or Tenant.

(i) Time of Essence. Time is of the essence for the performance of all of the obligations specified hereunder.

(j) Community Business Enterprises. Landlord shall complete and deliver to Tenant concurrently with the execution hereof a Community Business Enterprises form attached hereto as Exhibit H.

(k) Landlord's Liability. The liability of Landlord (and its partners, shareholders or members) to Tenant (or any person or entity claiming by, through or under Tenant) for any default by Landlord under the terms of this Lease or any matter relating to or arising out of the occupancy or use of the Premises and/or other areas of the Building or the Complex shall be limited to Tenant's actual direct, but not consequential (or other speculative), damages therefor and shall be recoverable only from the interest of Landlord in the Building, and Landlord (and its partners, shareholders or members) shall not be personally liable for any deficiency. Additionally, to the extent allowed by Law, Tenant hereby waives any statutory lien it may have against Landlord or its assets, including without limitation, the Building.

(l) Interest. All past due payments hereunder shall bear interest from the date due until paid at the lesser of ten percent (10%) per annum or the maximum lawful rate of interest (such lesser amount is referred to herein as the "**Default Rate**"). Any such interest payment shall not be considered a waiver by either party of any default by the other party hereto hereunder, and shall be payable immediately on demand. In no event, however, shall the charges permitted under this Section 29(1) or elsewhere in this Lease, to the extent they are considered to be interest under applicable law, exceed the maximum lawful rate of interest.

(m) Renovation of Complex. Tenant acknowledges that Landlord has the right to renovate or remodel the Complex or any portion thereof, and in such event portions of the Complex may from time to time be under construction following Tenant's occupancy of the Premises; Tenant acknowledges that any such construction may result in levels of noise, dust and obstruction of access which are in excess of that present in a fully-constructed project. In connection with such construction, Landlord may, among other things, erect scaffolding or other necessary structures at the Complex. Tenant hereby waives any and all Rent offsets or claims of constructive eviction or damage to or interference with Tenant's business or inconvenience or annoyance which may arise in connection with such construction, provided that Landlord shall take commercially reasonable measures to minimize interference with or disruption to Tenant's use of the Premises during such renovations or remodeling.

30. **AUTHORITY.** Only the Board of Supervisors has the authority, by formally approving and/or executing this Lease, to bind Tenant to the terms included herein. Each individual executing this Lease on behalf of Tenant represents and warrants that he or she is duly authorized to execute and deliver this Lease on behalf of Tenant, and that this Lease is binding upon Tenant in accordance with its terms. Landlord understands that no material terms of this Lease may be altered or deleted, nor may any new material terms be added to this Lease, without the express written approval of the Board of Supervisors, either through an amendment to the Lease or by other formal board action. No officer, employee, agent or independent contractor of Tenant has any authority to alter, add or delete the material terms of this Lease and Landlord may not rely upon any representations to the contrary. This limitation of authority applies to all material terms of the Lease including, without limitation, any monetary ceiling established for Tenant Improvements or other project costs of Landlord which are subject to reimbursement by County of Los Angeles ("**County**"). Tenant shall not reimburse Landlord for any expenses which exceed this ceiling. Notwithstanding the foregoing, the Chief Executive Officer of Tenant may take any administrative act on behalf of Tenant hereunder which does not have the effect of increasing Base Rent or other financial obligations of Tenant under this Lease, including without limitation, granting any approvals, terminating this Lease in the manner provided herein by an

Early Termination notice or otherwise, signing estoppel certificates, signing the Commencement Date Memorandum and Confirmation of Lease Terms or subordinating this Lease. Each individual executing this Lease on behalf of Landlord represents and warrants that he or she is duly authorized to execute and deliver this Lease on behalf of Landlord, and that this Lease is binding upon Landlord in accordance with its terms.

31. **ACKNOWLEDGMENT BY LANDLORD**

Landlord acknowledges that it is aware of the following provisions:

(a) Consideration of GAIN Program Participants. Should Landlord require additional or replacement personnel after the effective date of this Lease, Landlord shall give consideration for any such employment, openings to participants in the County Department of Public Social Services' Greater Avenues for Independence ("GAIN") Program who meet Landlord's minimum qualifications for the open position. Tenant will refer GAIN participants by job category to Landlord.

(b) Solicitation of Consideration. It is improper for any County officer, employee or agent to solicit consideration in any form from a landlord with the implication, suggestion or statement that the Landlord's provision of the consideration may secure more favorable treatment for Landlord in the award of the Lease or that Landlord's failure to provide such consideration may negatively affect the County's consideration of Landlord's offer to lease. A landlord shall not offer or give, either directly or through an intermediary, consideration in any form to a County officer, employee or agent for the purpose of securing favorable treatment with respect to the award of the Lease.

Landlord shall immediately report any attempt by a County officer, employee or agent to solicit such improper consideration. The report shall be made either to the County manager charged with the supervision of the employee or to the County Auditor-Controller's Employee Fraud Hotline. Failure to report such solicitation may result in the landlord's submission being eliminated from consideration.

(c) Landlord Assignment.

(i) Landlord may assign, transfer, mortgage, hypothecate or encumber Landlord's right, title and interest in and to this Lease or any portion thereof (including the right to receive rental payments but excluding its duties and obligations hereunder), and Landlord may execute any and all instruments providing for the payment of Base Rent directly to an assignee or transferee, but only if the conditions set forth in this Section are met. Notwithstanding the foregoing, the provisions of this Section 31(c) shall not apply to Landlord's sale of the Building and Landlord may sell any portion of the Complex without Tenant's consent. If Landlord assigns its rights under this Lease in connection with such a sale, then Landlord shall thereby be released from any further obligations hereunder arising after the date of transfer, provided that the assignee assumes Landlord's obligations hereunder in writing.

(ii) Any document or agreement purporting to assign, transfer, mortgage, hypothecate or encumber Landlord's right, title and interest in and to this Lease or any portion

thereof, is hereinafter referred to as a “**Security Agreement.**” Any Security Agreement which is executed without full compliance with the requirements of this Section shall be void.

(iii) Each assignee or transferee under the Security Agreement shall certify and agree in writing that such assignee or transferee has read and is familiar with the requirements of Sections 5950-5955 of the California Government Code, which prohibits the offer or sale of any security constituting a fractional interest in this Lease or any portion thereof, without the prior written consent of Tenant. Notwithstanding the foregoing, Tenant hereby acknowledges and agrees that Landlord shall have the right to encumber the Property with CMBS (collateralized mortgage backed securities) financing or other traditional real estate financing. However, Landlord may not encumber the Property through any type of bond financing vehicle, including but not limited to certificate of participation financing.

(iv) Violation by Landlord of the provisions of Section 5951 of the California Government Code will constitute a material breach of this Lease, upon which Tenant may impose damages in an amount equal to the greater of (a) \$500,000 or (b) 10% of the aggregate principal portion of all rental payments payable by Tenant during the entire Term of this Lease, it being expressly agreed that the aforesaid amount shall be imposed as liquidated damages, and not as a forfeiture or penalty. It is further specifically agreed that the aforesaid amount is presumed to be the amount of damages sustained by reason of any such violation, because from the circumstances and nature of the violation it would be impracticable and extremely difficult to fix actual damages. In addition, Tenant may exercise or pursue any other right or remedy it may have under this Lease or applicable law.

(v) Landlord shall give Tenant notice and a copy of each Security Agreement and any other instrument relating thereto (including, but not limited to, instruments providing for the payment of Base Rent directly to an assignee or transferee) at least two weeks prior to the effective date thereof.

(vi) Landlord shall not furnish any information concerning Tenant or the subject matter of this Lease (including, but not limited to, offering memoranda, financial statements, economic and demographic information, and legal opinions rendered by the office of counsel for the County) to any person or entity, except with Tenant's prior written consent. Landlord shall indemnify, defend and hold County and its officers, agents and employees harmless from and against all claims and liability alleged to arise from the inaccuracy or incompleteness of any information furnished by Landlord in violation of this Section.

(vii) The provisions of this Section shall be binding upon and applicable to the parties hereto and their respective successors and assigns. Whenever in this Section Landlord is referred to, such reference shall be deemed to include Landlord's successors or assigns, and all covenants and agreements by or on behalf of Landlord herein shall bind and apply to Landlord's successors and assigns whether so expressed or not.

32. **IRREVOCABLE OFFER.** In consideration for the time and expense that Tenant will invest, including, but not limited to, preliminary space planning, legal review, and preparation and noticing for presentation to the Tenant Real Estate Management Commission of Los Angeles County in reliance on Landlord's agreement to lease the Premises to Tenant under the terms of

this Lease, Landlord irrevocably offers to enter into this Lease and not to revoke this offer until the Irrevocable Offer Expiration Date, as defined in Section 1.

IN WITNESS WHEREOF this Lease has been executed the day and year first above set forth.

LANDLORD:

RAIC UNIVERSITY TECHNOLOGY CENTER, LLC, a
Delaware limited liability company

By: *Terrell Weatherl*
Name: Terrell Weatherl
Its: Vice President

TENANT:

COUNTY OF LOS ANGELES
a body politic and corporate

By: *Mark Ridley-Thomas*
Mark Ridley-Thomas
Chairman, Board of Supervisors

ATTEST:
Sachi A. Hamai
Executive Officer-Clerk
of the Board of Supervisors

By: *Sachelle Smitherman*
Deputy



I hereby certify that pursuant to
Section 26103 of the Government Code
delivery of this document has been made.

77970

APPROVED AS TO FORM:

JOHN F. KRATTLI
County Counsel

By: *John F. Krattli*
Deputy

SACHI A. HAMAI
Executive Officer
Clerk of the Board of Supervisors

By: *Sachelle Smitherman*
Deputy

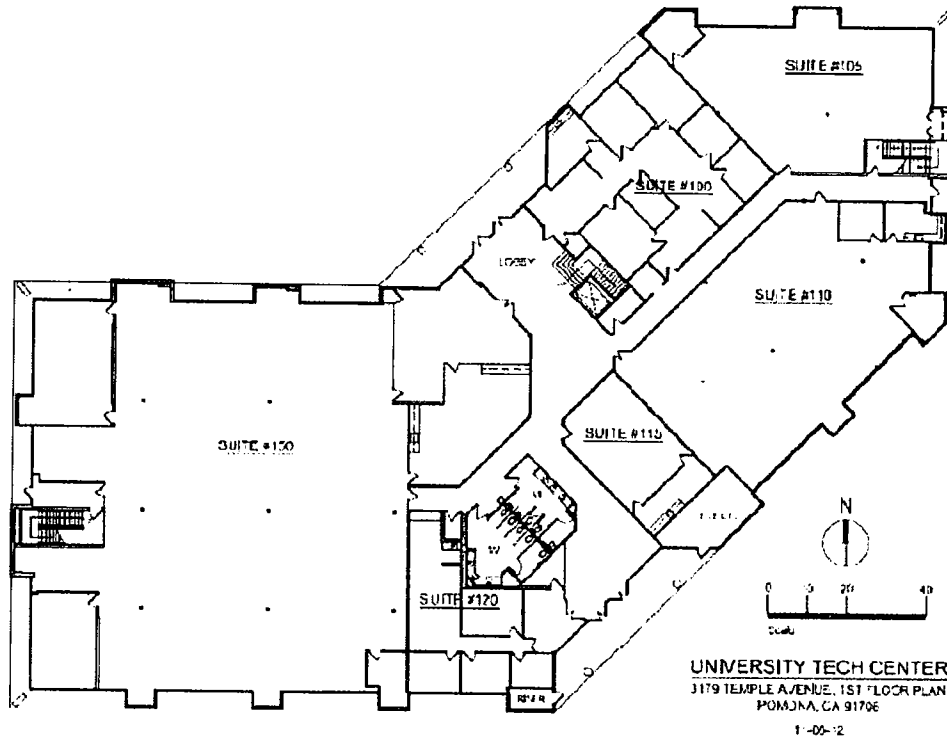
ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

14

JUN 11 2013

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

EXHIBIT A
FLOOR PLAN OF PREMISES



Mr. Carlos Marquez
Mr. Kevin Webb
January 10 2013
Page 5

TOTAL FLOOR AREA 15,700

Mr. Carlos Marquez
Mr. Kevin Webb
January 10, 2013
Page 6

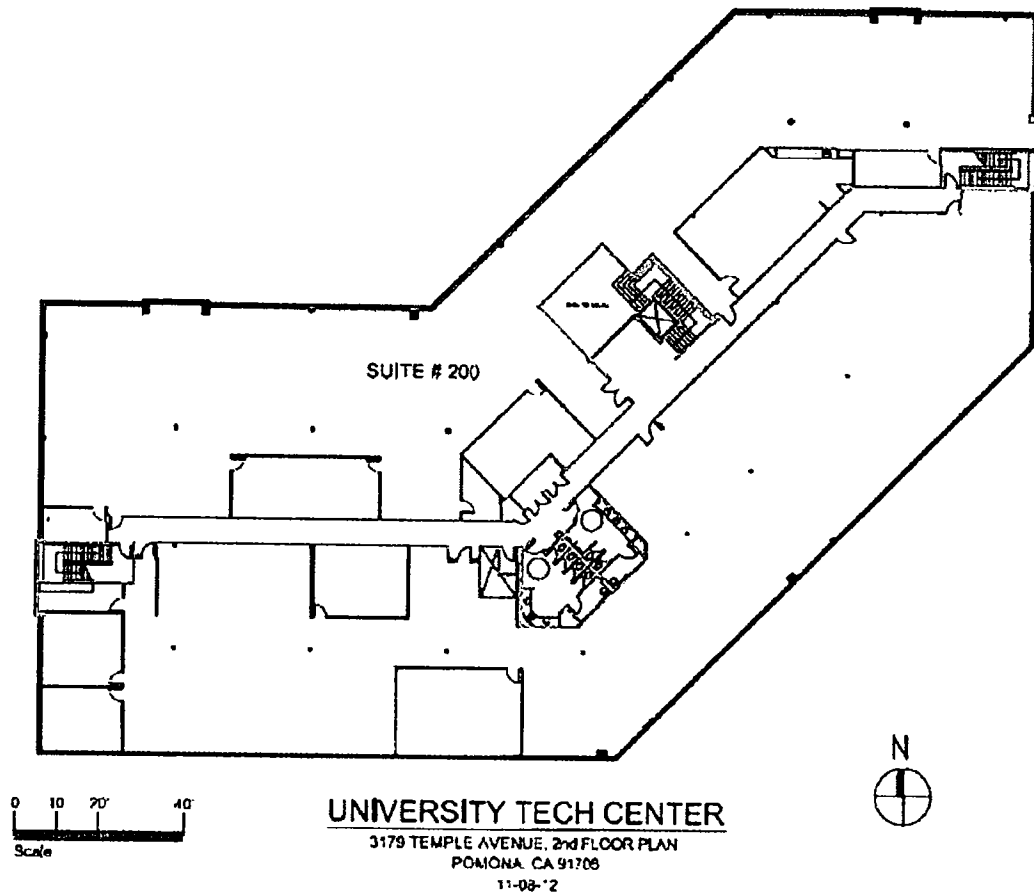


EXHIBIT A-2

DIAGRAM OF THE COMPLEX

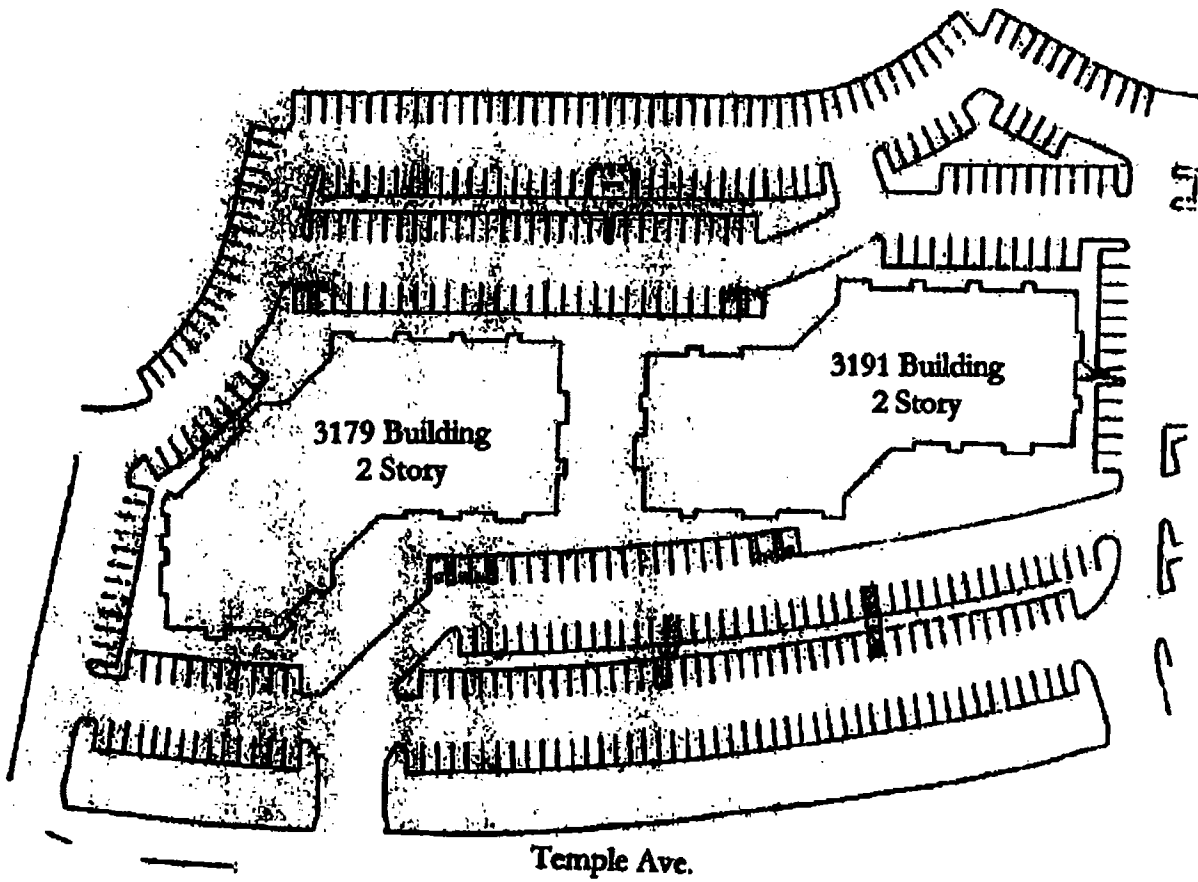


EXHIBIT B

COMMENCEMENT DATE MEMORANDUM

Reference is made to that certain lease ("**Lease**") dated _____, 2013, between County of Los Angeles, a body politic and corporate ("**Tenant**"), and RAIC UNIVERSITY TECHNOLOGY CENTER LLC, ("**Landlord**"), whereby Landlord leased to Tenant and Tenant leased from Landlord certain premises in the building located at 3179 Temple Avenue, Pomona ("**Premises**"),

Landlord and Tenant hereby acknowledge as follows:

- (1) Landlord delivered possession of the Premises to Tenant in a Substantially Complete condition on _____, 201__ ("**Delivery Date**");
- (2) The Lease commenced on _____, 2013 ("**Commencement Date**");
- (3) The Premises contain _____ rentable square feet of space; and
- (4) Base Rent Per Month with respect to the entirety of the Premises is \$_____.

IN WITNESS WHEREOF, this Memorandum is executed this ____ day of _____, 2013.

"Tenant"

COUNTY OF LOS ANGELES,
a body politic and corporate

By: _____

Name:

Its: Director of Real Estate

"Landlord"

RAIC UNIVERSITY TECHNOLOGY
CENTER, LLC, a Delaware limited liability
company

By: _____

Name: _____

Its: _____

EXHIBIT C

CLEANING AND MAINTENANCE SCHEDULE FOR THE PREMISES

1. DAILY (Monday through Friday)
 - A. Carpets vacuumed.
 - B. Composition floors dust-mopped.
 - C. Waste baskets, other trash receptacles emptied.
 - D. Chairs and waste baskets returned to proper position.
 - E. Fingerprints removed from glass doors and partitions.
 - F. Drinking fountains cleaned, sanitized and polished.
 - G. Lavatories, toilets and toilet rooms cleaned and mopped. Toilet supplies replenished.
 - H. Bulb and tube replacements, as required.
 - I. Graffiti expunged as needed within two (2) working days after notice by Tenant.
 - J. Floors washed as needed.
 - K. Kitchen/Lunchroom supplies replenished including paper supplies and soap.
 - L. Day porter service from 8:00 a.m. to 5:00 p.m. (if provided by contract).
2. WEEKLY
 - A. Low-reach areas, chair rungs, baseboards and insides of door jambs dusted.
 - B. Window sills, ledges and wood paneling and molding dusted.
3. MONTHLY
 - A. Floors washed and waxed in uncarpeted office area.
 - B. High-reach areas, door frames and tops of partitions dusted.
 - C. Upholstered furniture vacuumed, plastic and leather furniture wiped.
 - D. Picture moldings and frames dusted.
 - E. Wall vents and ceiling vents vacuumed.
 - F. Carpet professionally spot cleaned as required to remove stains.
 - G. HVAC chiller water checked for bacteria, water conditioned.
4. QUARTERLY
 - A. Light fixtures cleaned and dusted, but not less frequently than Quarterly.
 - B. Wood furniture polished.
 - C. Mini-blinds dusted as required, but not less frequently than Quarterly.
 - D. HVAC units serviced for preventative maintenance purposes, all filters changed.
5. SEMI-ANNUALLY
 - A. Windows washed as required inside and outside but not less frequently than once annually.
 - B. All painted wall and door surfaces washed and stains removed.
 - C. All walls treated with vinyl covering washed and stains removed.

6. ANNUALLY

A. Bathroom and any other ceramic tile surfaces professionally cleaned using a hand scrub process.

B. Touch-up paint all interior painted surfaces in a color and finish to match existing.

7. AS NEEDED

A. Premises and the sidewalks, driveways, parking areas and all means of access and egress for the Premises should be maintained in good repair, and in clean and safe condition at all times.

B. All lawns, shrubbery and foliage on the grounds of the Premises should be maintained in good condition and neat in appearance. Grass and shrubbery must be replanted as needed to maintain the grounds in good appearance and condition.

C. Carpets to be cleaned using a non-detergent, low moisture, soil encapsulation system as recommended by the carpet manufacturer. The following schedule will be maintained for carpet cleaning: (i) heavy traffic areas as needed with a minimum frequency of four (4) times per year; (ii) moderate traffic areas cleaned with a minimum of once per year; and (iii) clean light traffic areas a minimum of once per year. Landlord agrees that bonnet cleaning is not an acceptable method of cleaning carpets.

8. GENERAL

Landlord shall, upon request of Tenant, produce written service contracts as evidence of compliance with the terms of this Cleaning and Maintenance Schedule.

EXHIBIT D

TENANT ESTOPPEL CERTIFICATE

To: _____

Attn: _____

Re: Date of Certificate: _____
 Lease Dated: _____, 2013
 Current Landlord: _____
 Located at: _____
 Premises: _____
 Commencement Date of Term: _____
 Expiration Date: _____
 Current Rent: _____

County of Los Angeles (“**Tenant**”) hereby certifies that as of the date hereof:

1. Tenant is the present owner and holder of the tenant’s interest under the lease described above, as it may be amended to date (the “**Lease**”). The Lease covers the premises described above (the “**Premises**”) in the building (the “**Building**”) at the address set forth above.

2. (a) A true, correct and complete copy of the Lease (including all modifications, amendments, supplements, side letters, addenda and riders of and to it) is attached to this Certificate as Exhibit A.

 (b) The current Rent is set forth above.

 (c) The term of the Lease commenced on the Commencement Date set forth above and will expire on the Expiration Date set forth above, including any presently exercised option or renewal term. Except as specified in the Lease, Tenant has no option or right to renew, extend or cancel the Lease.

 (d) Except as specified in the Lease, Tenant has no option or right to lease additional space in the Premises or Building or to use any parking.

 (e) Tenant has no option or preferential right to purchase all or any part of the Premises (or the land of which the Premises are a part).

 (f) Tenant has made no agreement with Landlord or any agent, representative or employee of Landlord concerning free rent, partial rent, rebate of rental payments or any other similar rent concession, except as expressly set forth in the Lease.

3. (a) The Lease constitutes the entire agreement between Tenant and Landlord with respect to the Premises, has not been modified, changed, altered or amended and is in full force

and effect. There are no other agreements, written or oral, which affect Tenant's occupancy of the Premises.

(b) To the knowledge of Tenant, Tenant has not given Landlord written notice of a material default under the Lease which has not been cured.

(c) The interest of Tenant in the Lease has not been assigned or encumbered. Tenant is not entitled to any credit against any rent or other charge or rent concession under the Lease except as set forth in the Lease. No rental payments have been made more than one month in advance.

4. All contributions required to be paid by Landlord to date for improvements to the Premises have been paid in full and all of Landlord's obligations with respect to tenant improvements have been fully performed.

IN WITNESS WHEREOF, the Tenant has executed this Tenant Estoppel Certificate as of the day set forth above.

COUNTY OF LOS ANGELES

By: _____

Name: _____

Title: _____

APPROVED AS TO FORM:

JOHN L. KRATTLI
County Counsel

By: _____
Deputy

EXHIBIT E

**SUBORDINATION, NON-DISTURBANCE
AND ATTORNMENMENT AGREEMENT**

AND WHEN RECORDED MAIL TO:)

County of Los Angeles)

CHIEF EXECUTIVE OFFICE)

Real Estate Division)

222 South Hill Street, 3rd Floor)

Los Angeles, California 90012

Space above for Recorder's Use

**SUBORDINATION, NON-DISTURBANCE
AND ATTORNMENMENT AGREEMENT**

**NOTICE: THIS SUBORDINATION, NON-DISTURBANCE AND
ATTORNMENMENT AGREEMENT RESULTS IN YOUR LEASEHOLD ESTATE
BECOMING SUBJECT TO AND OF LOWER PRIORITY THAN THE LIEN OF SOME
OTHER OR LATER SECURITY INSTRUMENT.**

This Subordination, Non-Disturbance and Attornment Agreement ("**Agreement**") is entered into as of the _____ day of _____, 201__ by and among COUNTY OF LOS ANGELES, a body politic and corporate ("**Tenant**"), _____ ("**Borrower**") and _____, ("**Lender**").

Factual Background

A. Borrower owns certain real property more particularly described in the attached Exhibit A. The term "**Property**" herein means that real property together with all improvements (the "**Improvements**") located on it.

B. Lender has made or agreed to make a loan to Borrower. The Loan is or will be secured by a deed of trust or mortgage encumbering the Property (the "**Deed of Trust**").

C. Tenant and Borrower (as "**Landlord**") entered into a lease dated _____, 2013 (the "**Lease**") under which Borrower leased to Tenant a portion of the Improvements located within the Property and more particularly described in the Lease (the "**Premises**").

D. Tenant is willing to agree to subordinate certain of Tenant's rights under the Lease to the lien of the Deed of Trust and to attorn to Lender on the terms and conditions of this Agreement. Tenant is willing to agree to such subordination and attornment and other conditions, provided that Lender agrees to a Non-Disturbance provision, all as set forth more fully below.

Agreement

Therefore, the parties agree as follows:

1. Subordination. The Lease shall be subject and subordinate to the lien of the Deed of Trust and to any renewals, modifications, consolidations, replacements and extensions of the Deed of Trust to the full extent of the principal sum secured by the Deed of Trust including any interest except that if Tenant is granted any option to extend the term of the Lease, right of first offer to lease additional premises, option to purchase the Property, or right of first option to purchase the Property in the Lease such provisions shall not be affected or diminished by this subordination which is conditioned upon the agreement of Borrower and Lender in Section 3 hereof.
2. Definitions of "Transfer of the Property" and "Purchaser". As used herein, the term **"Transfer of the Property"** means any transfer of Borrower's interest in the Property by foreclosure, trustee's sale or other action or proceeding for the enforcement of the Deed of Trust or by deed in lieu thereof. The term **"Purchaser"**, as used herein, means any transferee, including Lender, of the interest of Borrower as a result of any such Transfer of the Property and also includes any and all successors and assigns, including Lender, of such transferee.
3. Non-Disturbance. The Transfer of the Property or any enforcement of the Deed of Trust shall not terminate the Lease or disturb Tenant in the possession and use of the leasehold estate created thereby, or deprive Tenant of any other property rights granted in the Lease.
4. Attornment. Subject to Section 3 above, if any Transfer of the Property should occur, Tenant shall and hereby does attorn to Purchaser, including Lender if it should be the Purchaser, as the landlord under the Lease, and Tenant shall be bound to Purchaser under all of the terms, covenants and conditions of the Lease for the balance of the Lease term and any extensions or renewals of it which may then or later be in effect under any validly exercised extension or renewal option contained in the Lease, all with the same force and effect as if Purchaser had been the original landlord under the Lease. This attornment shall be effective and self-operative without the execution of any further instruments upon Purchaser's succeeding to the interest of the landlord under the Lease.
5. Lender Not Obligated. Lender, if it becomes the Purchaser or if it takes possession under the Deed of Trust, and any other Purchaser shall not (a) be liable for any damages or other relief attributable to any act or omission of any prior Landlord under the Lease including Borrower; or (b) be subject to any offset or defense not specifically provided for in the Lease which Tenant may have against any prior landlord under the Lease; or (c) be bound by any prepayment by Tenant of more than one month's installment of rent; or (d) be obligated for any security deposit not actually delivered to Purchaser; or (e) be bound by any modification or amendment of or to the Lease unless the amendment or modification shall have been approved in writing by the Lender.
6. Notices. All notices given under this Agreement shall be in writing and shall be given by personal delivery, overnight receipted courier or by registered or certified United States mail, postage prepaid, sent to the party at its address appearing below. Notices shall be effective

upon receipt (or on the date when proper delivery is refused). Addresses for notices may be changed by any party by notice to all other parties in accordance with this Section.

To Lender: _____

To Borrower: Tina Minook
c/o Davis Partners
1420 Bristol Street North, Suite 100
Newport Beach, CA 92660
Telephone: (909) 348-5900
Facsimile: (909) 348-5904

With a copy to: Invesco Real Estate
500 Three Galleria Tower
13155 Noel Road
Dallas, TX 75240
Attention: University Technology Center Asset Manager

To Tenant: County of Los Angeles
Chief Executive Office
Real Estate Division
222 South Hill Street, 3rd Floor
Los Angeles, California 90012
Attention: Director of Real Estate

7. Miscellaneous Provisions. This Agreement shall inure to the benefit of and be binding upon the parties and their respective successors and assigns. This Agreement is governed by the laws of the State of California without regard to the choice of law rules of that State.

8. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original but all of which together shall constitute but one and the same instrument.

TENANT: COUNTY OF LOS ANGELES,
a body politic and corporate

By: _____
Director of Real Estate

Borrower:

By: _____
Name: _____
Title: _____

LENDER: *[Insert name of Lender]*,

By: _____

APPROVED AS TO FORM

JOHN L. KRATTLI
County Counsel

By: _____
Deputy

EXHIBIT F

**NON-DISTURBANCE
AND ATTORNMENT AGREEMENT
AND WHEN RECORDED MAIL TO:**

County of Los Angeles
CHIEF EXECUTIVE OFFICE
Real Estate Division
222 South Hill Street, 3rd Floor
Los Angeles, California 90012

Space above for Recorder's Use

SUBORDINATION, NONDISTURBANCE AND ATTORNMENT AGREEMENT
([pool] , Loan No. _____)

THIS SUBORDINATION, NONDISTURBANCE, AND ATTORNMENT AGREEMENT (this "**Agreement**") is entered into as of _____, 2013 (the "**Effective Date**"), among _____ ("**Lender**"), whose address is _____ (Re: _____; Loan No. _____), COUNTY OF LOS ANGELES, a body politic and corporate ("**Tenant**"), whose address is _____, and RAIC UNIVERSITY TECHNOLOGY CENTER, LLC, a Delaware limited liability company ("**Landlord**"), whose address is _____, with reference to the following facts:

A. Landlord owns the real property known as University Technology Center and having a street address of 3179 Temple Avenue, Pomona, such real property, including all buildings, improvements, structures and fixtures located thereon, (all or any portion thereof being referred to herein as the "**Landlord's Premises**"), as more particularly described on Exhibit A.

B. _____, a _____ ("**Original Lender**") made a loan to Landlord in the original principal amount of \$_____ (the "**Loan**").

C. To secure the Loan, Landlord encumbered Landlord's Premises by entering into that certain [Mortgage][Deed of Trust], [Assignment of Rents and Leases and Security Agreement] dated as of _____, in favor of [a trustee for the benefit of] Original Lender (as amended, increased, renewed, extended, spread, consolidated, severed, restated, or otherwise changed from time to time, the "**Security Instrument**") recorded in the applicable land records of Los Angeles County, California.

D. Lender is now the holder of the Security Instrument and has authority to enter into this Agreement.

E. Pursuant to a Lease Agreement dated as of _____, 2013 together with any amendments, modifications and renewals approved in writing by Lender to the extent such

approval is required by the Security Instrument (the "**Lease**"), Landlord demised to Tenant a portion of Landlord's Premises ("**Tenant's Premises**").

F. Lender has been requested by Landlord and Tenant to enter into this Agreement, and Tenant and Lender desire to agree upon the relative priorities of their interests in Landlord's Premises and their rights and obligations if certain events occur.

NOW, THEREFORE, for good and sufficient consideration, Tenant and Lender agree:

1. **Definitions.** The following terms shall have the following meanings for purposes of this Agreement:

1.1. "**Construction-Related Obligation**" means any obligation of Former Landlord (as hereinafter defined) under the Lease to make, pay for, or reimburse Tenant for any alterations, demolition, or other improvements or work at Landlord's Premises, including Tenant's Premises. "**Construction-Related Obligation**" shall not include: (a) reconstruction or repair following any fire, casualty or condemnation which occurs after the date of attornment hereunder, but only to the extent of the insurance or condemnation proceeds actually received by Successor Landlord for such reconstruction and repair, less Successor Landlord's actual expenses in administering such proceeds; or (b) day-to-day maintenance and repairs.

1.2. "**Foreclosure Event**" means (a) foreclosure under the Security Instrument; (b) any other exercise by Lender of rights and remedies (whether under the Security Instrument or under applicable law, including bankruptcy law) as holder of the Loan and/or the Security Instrument, as a result of which Successor Landlord becomes owner of Landlord's Premises; or (c) delivery by Former Landlord to Lender (or its designee or nominee) of a deed or other conveyance of Former Landlord's interest in Landlord's Premises in lieu of any of the foregoing.

1.3. "**Former Landlord**" means Landlord and/or any other party that was landlord under the Lease at any time before the occurrence of any attornment under this Agreement.

1.4. "**Offset Right**" means any right or alleged right of Tenant to any offset, defense (other than one arising from actual payment and performance, which payment and performance would bind a Successor Landlord pursuant to this Agreement), claim, counterclaim, reduction, deduction, or abatement against Tenant's payment of Rent or performance of Tenant's other obligations under the Lease, arising (whether under the Lease or other applicable law) from acts or omissions of Former Landlord and/or from Former Landlord's breach or default under the Lease.

1.5. "**Rent**" means any fixed rent, base rent or additional rent under the Lease.

1.6. "**Successor Landlord**" means any party that becomes owner of Landlord's Premises as the result of a Foreclosure Event.

1.7. "**Termination Right**" means any right of Tenant to cancel or terminate the Lease or to claim a partial or total eviction arising (whether under the Lease or under applicable law) from Former Landlord's breach or default under the Lease.

2. Subordination. The Lease, and all right, title and interest of the Tenant thereunder and of the Tenant to and in the Landlord's Premises, are, shall be, and shall at all times remain, subject and subordinate to the Security Instrument, the lien imposed by the Security Instrument, and all advances made under the Security Instrument.

3. Payment to Lender. In the event Tenant receives written notice (the "**Rent Payment Notice**") from Lender or from a receiver for the Landlord's Premises that there has been a default under the Security Instrument and that rentals due under the Lease are to be paid to Lender or to the receiver (whether pursuant to the terms of the Security Instrument or of that certain Assignment of Rents and Leases executed by Landlord as additional security for the Loan), Tenant shall pay to Lender or to the receiver, or shall pay in accordance with the directions of Lender or of the receiver, all Rent and other monies due or to become due to Landlord under the Lease, notwithstanding any contrary instruction, direction or assertion of Former Landlord. Landlord hereby expressly and irrevocably directs and authorizes Tenant to comply with any Rent Payment Notice, notwithstanding any contrary instruction, direction or assertion of Landlord, and Landlord hereby releases and discharges Tenant of and from any liability to Landlord on account of any such payments. The delivery by Lender or the receiver to Tenant of a Rent Payment Notice, or Tenant's compliance therewith, shall not be deemed to: (i) cause Lender to succeed to or to assume any obligations or responsibilities as landlord under the Lease, all of which shall continue to be performed and discharged solely by the applicable Landlord unless and until any attornment has occurred pursuant to this Agreement; or (ii) relieve the applicable Former Landlord of any obligations under the Lease. Tenant shall be entitled to rely on any Rent Payment Notice. Tenant shall be under no duty to controvert or challenge any Rent Payment Notice. Tenant's compliance with a Rent Payment Notice shall not be deemed to violate the Lease. Tenant shall be entitled to full credit under the Lease for any Rent paid to Lender pursuant to a Rent Payment Notice to the same extent as if such Rent were paid directly to Former Landlord.

4. Nondisturbance, Recognition and Attornment.

4.1. No Exercise of Security Instrument Remedies against Tenant. So long as (i) the Lease has not expired or otherwise been terminated by Former Landlord and (ii) there is no existing default under or breach of the Lease by Tenant that has continued beyond applicable cure periods (an "**Event of Default**"), Lender shall not name or join Tenant as a defendant in any exercise of Lender's rights and remedies arising upon a default under the Security Instrument unless applicable law requires Tenant to be made a party thereto as a condition to proceeding against Former Landlord or prosecuting such rights and remedies. In the latter case, Lender may join Tenant as a defendant in such action only for such purpose and not to terminate the Lease or otherwise diminish or interfere with Tenant's rights under the Lease or this Agreement in such action.

4.2. Nondisturbance and Attornment. So long as (i) the Lease has not expired or otherwise been terminated by Former Landlord, (ii) an Event of Default has not occurred, and (iii) no condition exists which would cause or entitle Former Landlord to terminate the Lease on its terms, or to dispossess the Tenant that would not be an Event of Default, then, if and when

Successor Landlord takes title to Landlord's Premises: (a) Successor Landlord shall not terminate or disturb Tenant's possession of Tenant's Premises under the Lease, except in accordance with the terms of the Lease and this Agreement; (b) Successor Landlord shall be bound to Tenant under all the terms and conditions of the Lease (except as provided in this Agreement); (c) Tenant shall recognize and attorn to Successor Landlord as Tenant's direct landlord under the Lease as affected by this Agreement; (d) the Lease shall continue in full force and effect as a direct lease, in accordance with its terms (except as provided in this Agreement), between Successor Landlord and Tenant; and (e) Successor Landlord shall have all the rights and remedies of the landlord under the Lease, including, without limitation, rights or remedies arising by reason of any Event of Default by Tenant under the Lease, whether occurring before or after the Successor Landlord takes title to the Landlord's Premises.

4.3. Protection of Successor Landlord. Notwithstanding anything to the contrary in the Lease or the Security Instrument, neither Lender nor Successor Landlord shall be liable for or bound by any of the following matters:

- a. Claims against Former Landlord. Any Offset Right or Termination Right that Tenant may have against any Former Landlord relating to any event or occurrence before the date of attornment, including any claim for damages of any kind whatsoever as the result of any breach by Former Landlord that occurred before the date of attornment. The foregoing shall not limit Tenant's right to exercise against Successor Landlord any Offset Right or Termination Right otherwise available to Tenant because of events existing as of or occurring after the date of attornment.
- b. Construction-Related Obligations. Any Construction-Related Obligation of Former Landlord.
- c. Prepayments. Any payment of Rent that Tenant may have made to Former Landlord for more than the current month.
- d. Payment; Security Deposit. Any obligation: (a) to pay Tenant any sum(s) that any Former Landlord owed to Tenant or (b) with respect to any security deposited with Former Landlord, unless such security was actually delivered to Lender or to Successor Landlord.
- e. Modification, Amendment or Waiver. Any modification or amendment of the Lease, or any waiver of any terms of the Lease, made without Lender's written consent if such consent is required by the Security Instrument.
- f. Surrender, Etc. Any consensual or negotiated surrender, cancellation, or termination of the Lease, in whole or in part, agreed between Former Landlord and Tenant, unless effected unilaterally by Tenant pursuant to the express terms of the Lease.
- g. Covenants. Any covenants or obligations of or applicable to Former Landlord to the extent they apply to or affect any property other than Landlord's Premises.

5. Lender's Right to Cure.

5.1. Notice to Lender. Copies of all notices and other communications given by Tenant to Former Landlord shall also be simultaneously provided to Lender. Notwithstanding anything to the contrary in the Lease or this Agreement or the Security Instrument, before exercising any Termination Right or Offset Right, Tenant shall provide Lender with notice of the breach or default by Former Landlord giving rise to same (the "**Default Notice**") and, thereafter, the opportunity to cure such breach or default as provided for below.

5.2. Lender's Cure Period. After Lender receives a Default Notice, Lender shall have a period of thirty days beyond the time available to Former Landlord under the Lease in which to cure the breach or default by Former Landlord, or, in the event that such cure cannot be completed within such cure period, Lender shall have such reasonable period of time as is required to diligently prosecute such cure to its completion. Lender shall have no obligation to cure (and shall have no liability or obligation for not curing) any breach or default by Former Landlord.

6. Exculpation of Successor Landlord. Notwithstanding anything to the contrary in this Agreement or the Lease, upon any attornment pursuant to this Agreement, the Lease shall be deemed to have been automatically amended to provide that Successor Landlord's obligations and liabilities under the Lease shall never extend beyond Successor Landlord's (or its successors' or assigns') interest, if any, in Landlord's Premises from time to time, including insurance and condemnation proceeds (except to the extent reinvested in the Landlord's Premises), Successor Landlord's interest in the Lease, and the proceeds from any sale or other disposition of Landlord's Premises by Successor Landlord (collectively, "**Successor Landlord's Interest**"). Tenant shall look exclusively to Successor Landlord's Interest (or that of its successors and assigns) for payment or discharge of any obligations of Successor Landlord under the Lease as affected by this Agreement. If Tenant obtains any money judgment against Successor Landlord with respect to the Lease or the relationship between Successor Landlord and Tenant, then Tenant shall look solely to Successor Landlord's Interest (or that of its successors and assigns) to collect such judgment. Tenant shall not collect or attempt to collect any such judgment out of any other assets of Successor Landlord.

7. Miscellaneous.

7.1. Notices. All notices or other communications required or permitted under this Agreement shall be in writing and given by personal delivery or by nationally recognized overnight courier service that regularly maintains records of items delivered. Each party's address is as set forth in the opening paragraph of this Agreement, subject to change by notice under this paragraph. Notices shall be effective upon delivery if sent by personal delivery and the next business day after being sent by overnight courier service.

7.2. Successors and Assigns. This Agreement shall bind and benefit the parties, their successors and assigns, any Successor Landlord, and its successors and assigns. Upon assignment of the Security Instrument by Lender, all liability of the Lender/assignor shall terminate.

7.3. Entire Agreement. This Agreement constitutes the entire agreement between Lender and Tenant and Landlord regarding the subordination of the Lease to the Security Instrument and the rights and obligations of Tenant, Lender and Landlord as to the subject matter of this Agreement.

7.4. Interaction with Lease and with Security Instrument. If this Agreement conflicts with the Lease, then this Agreement shall govern as between the parties and any Successor Landlord, including upon any attornment pursuant to this Agreement. This Agreement supersedes, and constitutes full compliance with, any provisions in the Lease that provide for subordination of the Lease to, or for delivery of non-disturbance agreements by the holder of, the Security Instrument. Lender confirms that Lender has consented to Landlord's entering into the Lease.

7.5. Lender's Rights and Obligations.

a. Except as expressly provided for in this Agreement, Lender shall have no obligations to Tenant with respect to the Lease. If an attornment occurs pursuant to this Agreement, then all rights and obligations of Lender under this Agreement shall terminate, without thereby affecting in any way the rights and obligations of Successor Landlord provided for in this Agreement.

b. Neither this Agreement, the Security Instrument or any of the related loan documents, nor the Lease shall, prior to any acquisition of Landlord's Premises by Lender, operate to give rise to or create any responsibility or liability for the control, care, management or repair of the Landlord's Premises upon the Lender, or impose responsibility for the carrying out by Lender of any of the covenants, terms or conditions of the Lease, nor shall said instruments operate to make Lender responsible or liable for any waste committed on the Landlord's Premises by any party whatsoever, or for dangerous or defective conditions of the Landlord's Premises, or for any negligence in the management, upkeep, repair or control of the Landlord's Premises, which may result in loss, injury or death to Tenant, or to any tenant, licensee, invitee, guest, employee, agent or stranger.

c. Lender may assign to any person or entity its interest under the Security Instrument and/or the related loan documents, without notice to, the consent of, or assumption of any liability to, any other party hereto. In the event Lender becomes the Successor Landlord, Lender may assign to any other party its interest as the Successor Landlord without the consent of any other party hereto.

7.6. Landlord's Rights and Obligations. Nothing herein contained is intended, nor shall it be construed, to abridge or adversely affect any right or remedy of Landlord under the Lease, including upon the occurrence of an Event of Default by Tenant under the Lease. This Agreement shall not alter, waive or diminish any of Landlord's obligations under the Security Instrument, any of the related loan documents, or the Lease.

7.7. Interpretation; Governing Law. The interpretation, validity and enforcement of this Agreement shall be governed by and construed under the internal laws of the state where the Landlord's Premises are located, excluding its principles of conflict of laws.

7.8. Amendments. This Agreement may be amended, discharged or terminated, or any of its provisions waived, only by a written instrument executed by the parties hereto.

7.9. Due Authorization. Tenant has full authority to enter into this Agreement, which has been duly authorized by all necessary actions.

7.10. Execution. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

7.11. Attorneys' Fees. All costs and attorneys' fees incurred in the enforcement hereof shall be paid by the non-prevailing party.

7.12. Headings. The headings in this Agreement are intended to be for convenience of reference only, and shall not define the scope, extent or intent or otherwise affect the meaning of any portion hereof.

7.13. WAIVER OF JURY TRIAL. **[CHECK SECURITY INSTRUMENT FOR JURY TRIAL WAIVER LANGUAGE -- IF DIFFERENT FROM THIS PARAGRAPH, USE IT.]** THE TENANT AND THE LANDLORD EACH HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY, AFTER CAREFUL CONSIDERATION AND AN OPPORTUNITY TO SEEK LEGAL ADVICE, WAIVE THEIR RESPECTIVE RIGHTS TO HAVE A TRIAL BY JURY IN RESPECT OF ANY LITIGATION ARISING OUT OF OR IN ANY WAY CONNECTED WITH ANY OF THE PROVISIONS OF THIS AGREEMENT, OR ANY OTHER DOCUMENTS EXECUTED IN CONJUNCTION HERewith OR WITH THE LOAN, ANY TRANSACTION CONTEMPLATED BY THIS AGREEMENT, THE LANDLORD'S PREMISES, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF THE LANDLORD, TENANT OR LENDER. THIS PROVISION IS A MATERIAL INDUCEMENT FOR THE LENDER TO ENTER INTO THIS AGREEMENT.

(REMAINDER OF PAGE LEFT INTENTIONALLY BLANK)

IN WITNESS WHEREOF, this Agreement has been duly executed by Lender, Tenant and Landlord as of the Effective Date.

LENDER:

By: Midland Loan Services, a division of PNC
Bank, National Association as its Master
Servicer and attorney in fact

By: _____
Name: _____
Title: _____

STATE OF KANSAS)
) ss.
COUNTY OF JOHNSON)

On this ____ day of _____, 2013, before me, a Notary Public in and for the State of Kansas, personally appeared _____, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person who executed this instrument, on oath stated that he was authorized to execute the instrument, and acknowledged that he is the Senior Vice President and Servicing Officer of Midland Loan Services, a division of PNC Bank, National Association to be the free and voluntary act and deed of said company for the uses and purposes mentioned in the instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year first above written.

(seal)

(Print Name)
NOTARY PUBLIC in and for the State of Kansas.

My appointment expires _____

TENANT:

COUNTY OF LOS ANGELES,
a body politic and corporate

By: _____
Director of Real Estate

APPROVED AS TO FORM

JOHN L. KRATTLI
County Counsel

By: _____
Deputy

STATE OF _____)
)
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of _____, 201__, by _____ as _____ of _____, on behalf of the _____. He/She is personally known to me or has produced a driver's license as identification.

NOTARY PUBLIC, STATE OF _____

Print or Stamp Name of Notary

My Commission Expires:

[Notarial Seal]

LANDLORD:

RAIC UNIVERSITY TECHNOLOGY CENTER,
LLC, a Delaware limited liability company

By: _____
Name: _____
Title: _____

STATE OF _____)
)
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of _____, 201__, by _____ as _____ of _____, on behalf of the _____. He/She is personally known to me or has produced a driver's license as identification.

NOTARY PUBLIC, STATE OF _____

Print or Stamp Name of Notary

My Commission Expires:

[Notarial Seal]

EXHIBIT A

DESCRIPTION OF LANDLORD'S PREMISES

EXHIBIT G

REQUEST FOR NOTICE

RECORDING REQUESTED BY

AND WHEN RECORDED MAIL TO:

County of Los Angeles
CHIEF EXECUTIVE OFFICE
Real Estate Division
222 South Hill Street, 3rd Floor
Los Angeles, California 90012
Attention: Director of Real Estate

REQUEST FOR NOTICE

(UNDER SECTION 2924B CIVIL CODE)

In accordance with Section 2924b, Civil Code, request is hereby made that a copy of any Notice of Default and a copy of any Notice of Sale under the Deed of Trust described below:

Date of Recording of Deed of Trust

Instrument Number of Deed of Trust

Trustor

Trustee

Beneficiary

be mailed to County of Los Angeles, Chief Executive Office, Real Estate Division, 222 South Hill Street, 3rd Floor, Los Angeles, California 90012, Attention: Director of Real Estate.

“LENDER:

_____,

a _____

By: _____

SIGNEE'S NAME

Its: SIGNEE'S TITLE

(ALL SIGNATURES MUST BE ACKNOWLEDGED)

COUNTY OF _____ ss.

On this ____ day of _____, 20__, before me, _____ a
Notary Public in and for the State of California, personally appeared
_____ personally known to me (or proved on the basis of
satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within
instrument and acknowledged to me that he/she/they executed the same in his/her/their
authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or
the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal

Signature _____

My commission expires _____.

EXHIBIT H

COMMUNITY BUSINESS ENTERPRISE FORM

INSTRUCTIONS: All Landlords shall submit this form on an annual basis on or before December 30th of each year of the term of this agreement as evidence of CBE participation. The information requested below is for statistical purposes only. On final analysis and consideration, leases will be selected without regard to gender, race, creed, or color. Categories listed below are based on those described in 49 CFR Section 23.5.

Firm Name	
Address	
Contact Name	
Telephone No.	
Total # of Employees	
Business Structure*	

*Corporation, Partnership, etc.

MINORITY/WOMEN PARTICIPATION IN FIRM

	OWNERS	ASSOCIATE PARTNERS	MANAGERS	STAFF	TOTAL
Black/African American					
Hispanic/Latin					
Asian American					
Portuguese American					
A. Indian/Alaskan					
All Others					
TOTAL					
Women*					

**Should be included in counts above and reported separately*

PERCENTAGE OF MINORITY/WOMEN OWNERSHIP IN FIRM

	TOTAL # OF OWNERS	% OF OWNERSHIP
Black/African American		
Hispanic/Latin American		
Asian American		
Portuguese American		
American Indian/Alaskan Native		
All Others		
TOTAL		
Women*		

**Should be included in counts above and reported separately*

CURRENT CERTIFICATION AS MINORITY/WOMEN-OWNED FIRM

Is your firm currently certified as a minority owned business firm by the:

	yes	No	
State of California?			
City of Los Angeles?			
Federal Government?			

WE DO NOT WISH TO PROVIDE THE INFORMATION REQUIRED IN THIS FORM.

	Initial	
Initial here if applicable		

SIGNED: _____

TITLE: _____

DATE: _____

EXHIBIT I

BUILDING RULES AND REGULATIONS

The following rules and regulations shall apply to the Premises, the Complex, the parking areas associated therewith, and the appurtenances thereto:

1. Sidewalks, doorways, vestibules, halls, stairways, and other similar areas shall not be obstructed by tenants or used by any tenant for purposes other than ingress and egress to and from their respective leased premises and for going from one to another part of the Building or Complex, as applicable.
2. Plumbing, fixtures and appliances shall be used only for the purposes for which designed, and no sweepings, rubbish, rags or other unsuitable material shall be thrown or deposited therein. Damage resulting to any such fixtures or appliances from misuse by Tenant or its agents, employees or invitees, shall be paid by Tenant.
3. No signs, advertisements or notices (other than those that are not visible outside the Premises) shall be painted or affixed on or to any windows or doors or other part of the Building or the Complex without the prior written consent of Landlord.
4. Landlord shall provide all door locks in the Premises, and Tenant shall not place any additional door locks in the Premises without Landlord's prior written consent. Landlord shall furnish to Tenant a reasonable number of keys to the Premises, and Tenant shall not make duplicates thereof.
5. Movement in or out of the Building of furniture or office equipment, or dispatch or receipt by tenants of any bulky material, merchandise or materials which require use of elevators or stairways, or movement through the Building entrances or lobby shall be conducted under Landlord's supervision at such times and in such a manner as Landlord may reasonably require. Tenant assumes all risks of and shall be liable for all damage to articles moved and injury to persons or public engaged or not engaged in such movement, including equipment, property and personnel of Landlord if damaged or injured as a result of acts in connection with carrying out this service for such tenant.
6. Tenant shall not place a load upon any floor of the Premises which exceeds the load per square foot which such floor was designed to carry and which is allowed by law. Landlord shall have the right to prescribe the weight, size and position of all equipment, materials, furniture or other property brought into the Building. Heavy objects shall, if considered necessary by Landlord, stand on such platforms as determined by Landlord to be necessary to properly distribute the weight, which platforms shall be provided at Tenant's expense. Business machines and mechanical equipment belonging to Tenant, which cause noise or vibration that may be transmitted to the structure of the Premises or to any space therein to such a degree to be objectionable to Landlord or to any tenants in the Building, shall be placed and maintained by Tenant, at Tenant's expense, on vibration eliminators or other devices sufficient to eliminate noise or vibration. The persons employed to move such equipment in or out of the Premises must be acceptable to Landlord. Landlord will not be responsible for loss of, or damage to, any such equipment or other property from any cause, and all damage done to the

Premises, the Building or the Complex by maintaining or moving such equipment or other property shall be repaired at the expense of Tenant.

7. Corridor doors, when not in use, shall be kept closed. Nothing shall be swept or thrown into the corridors, halls, elevator shafts or stairways. No birds or animals (other than seeing-eye dogs) shall be brought into or kept in, on or about the Premises. No portion of the Premises shall at any time be used or occupied as sleeping or lodging quarters.

8. Tenant shall not make or permit any vibration or improper, objectionable or unpleasant noises or odors in the Building or otherwise interfere in any way with other tenants or persons having business with them.

9. No machinery of any kind (other than normal office equipment) shall be operated by Tenant in the Premises without Landlord's prior written consent, nor shall Tenant use or keep in the Building any flammable or explosive fluid or substance (other than typical office supplies [e.g., photocopier toner] used in compliance with all Laws).

10. Landlord will not be responsible for lost or stolen personal property, money or jewelry from the Premises or public or common areas regardless of whether such loss occurs when the area is locked against entry or not.

11. No vending or dispensing machines of any kind may be maintained in the Premises without the prior written permission of Landlord, other than those used for Tenant's employees.

12. Tenant shall not conduct any activity on or about the Premises, the Building or the Complex that is disreputable or which may draw pickets, demonstrators, or the like.

13. Tenant may not enter into phone rooms, electrical rooms, mechanical rooms, or other service areas of the Building unless accompanied by Landlord or the Building manager.

14. Tenant shall not permit its employees, invitees or guests to smoke in the Premises or the lobbies, passages, corridors, elevators, vending rooms, rest rooms, stairways or any other area shared in common with other tenants in the Building. Nor shall Tenant permit its employees, invitees, or guests to loiter at the Building entrances for the purposes of smoking. Landlord may, but shall not be required to, designate an area for smoking outside the Building.

15. Canvassing, soliciting or peddling in or about the Premises or the Complex is prohibited and Tenant shall cooperate to prevent same.

16. Landlord reserves the right, exercisable without notice and without liability to Tenant, to change the name and street address of the Premises.

17. Landlord reserves the right to exclude from the Building between the hours of 6:00 p.m. and 7:00 a.m. the following day, or such other hours as may be established from time to time by Landlord, and on Saturdays, Sundays and legal holidays, any person unless that person is known to the person or employee in charge of the Building and has a pass or is properly identified. Tenant shall be responsible for all persons for whom it requests passes and

shall be liable to Landlord for all acts of such persons. Landlord shall not be liable for damages for any error with regard to the admission to or exclusion from the Building of any person. Landlord reserves the right to prevent access to the Building in case of invasion, mob, riot, public excitement or other commotion by closing the doors or by other appropriate action.

18. Tenant shall close and lock the doors of its Premises and entirely shut off all water faucets or other water apparatus, and electricity, gas or air outlets before Tenant and its employees leave the Premises. Tenant shall be responsible for any damage or injuries sustained by other tenants or occupants of the Complex or by Landlord for noncompliance with this rule.

19. Tenant shall not sell, or permit the sale at retail, of newspapers, magazines, periodicals, theater tickets or any other goods or merchandise to the general public in or on the Premises. Tenant shall not make any room-to-room solicitation of business from other tenants in the Complex. Tenant shall not use the Premises for any business or activity other than that specifically provided for in the Lease.

20. Tenant shall not install any radio or television antenna, loudspeaker or other devices on the roof or exterior walls of the Premises. Tenant shall not interfere with radio or television broadcasting or reception from or in the Building or elsewhere.

21. Tenant shall not mark, drive nails, screw or drill into the partitions, woodwork or plaster or in any way deface the Premises or any part thereof, except in accordance with the provisions of the Lease pertaining to alterations. Landlord reserves the right to direct electricians as to where and how telephone and telegraph wires are to be introduced to the Premises. Tenant shall not cut or bore holes for wires. Tenant shall not affix any floor covering to the floor of the Premises in any manner except as approved by Landlord. Tenant shall repair any damage resulting from noncompliance with this rule.

22. Tenant shall store all its trash and garbage within its Premises or in other facilities provided by Landlord. Tenant shall not place in any trash box or receptacle any material which cannot be disposed of in the ordinary and customary manner of trash and garbage disposal. All garbage and refuse disposal shall be made in accordance with directions issued from time to time by Landlord.

23. The Premises shall not be used for the storage of merchandise held for sale to the general public, or for lodging or for manufacturing of any kind, nor shall the Premises be used for any improper, immoral or objectionable purpose. No cooking shall be done or permitted on the Premises without Landlord's consent, except that use by Tenant of Underwriter's Laboratory approved equipment for brewing coffee, tea, hot chocolate and similar beverages or use of microwave ovens for employee use shall be permitted, provided that such equipment and use is in accordance with all applicable federal, state and local laws, codes, ordinances, rules and regulations.

24. Tenant shall not use in the Premises any hand truck except those equipped with rubber tires and side guards or such other material-handling equipment as Landlord may approve. Tenant shall not bring any other vehicles of any kind into the Premises.

25. Without the written consent of Landlord, Tenant shall not use the name of the

Building or the Complex in connection with or in promoting or advertising the business of Tenant except as Tenant's address.

26. Tenant shall comply with all safety, fire protection and evacuation procedures and regulations established by Landlord or any governmental agency from time to time.

27. Tenant's requirements will be attended to only upon appropriate application to the Complex management office by an authorized individual. Employees of Landlord shall not perform any work or do anything outside of their regular duties unless under special instructions from Landlord, and no employee of Landlord will admit any person (Tenant or otherwise) to any office without specific instructions from Landlord.

28. Landlord may waive any one or more of these Rules and Regulations for the benefit of Tenant or any other tenant, but no such waiver by Landlord shall be construed as a waiver of such Rules and Regulations in favor of Tenant or any other tenant, nor prevent Landlord from thereafter enforcing any such Rules and Regulations against any or all of the tenants of the Complex.

29. These Rules and Regulations are in addition to, and shall not be construed to in any way modify or amend, in whole or in part, the terms, covenants, agreements and conditions of Tenant's Lease of its Premises in the Building.

30. Landlord reserves the right to make such other and reasonable Rules and Regulations as, in its judgment, may from time to time be needed for safety and security, for care and cleanliness of the Building and for the preservation of good order therein. Tenant agrees to abide by all such Rules and Regulations hereinabove stated and any additional rules and regulations which are adopted.

31. Tenant shall be responsible for the observance of all of the foregoing rules by Tenant's employees, agents, clients, customers, invitees and guests.

EXHIBIT J

PARKING RULES AND REGULATIONS

The following rules and regulations shall govern use of the parking areas located on the Complex.

1. All claimed damage or loss must be reported and itemized in writing delivered to Landlord within ten (10) business days after any claimed damage or loss occurs. Any claim not so made is waived. Landlord has the option to make repairs at its expense of any claimed damage within two (2) business days after filing of any claim. In all court actions the burden of proof to establish a claim remains with Tenant. Court actions by Tenant for any claim must be filed in the court of jurisdiction where a claimed loss occurred within ninety (90) days after the date of damage or loss. Landlord is not responsible for damage by water, fire or defective brakes, or parts, or for the act of omissions of others, or for articles left in the car. The total liability of Landlord is limited to \$250.00 for all damages or loss to any car. Landlord is not responsible for loss of use.
2. Tenant shall not park or permit the parking of any vehicle under its control in any parking areas designated by Landlord as areas for parking by visitors to the Building. Tenant shall not leave vehicles in the parking areas overnight, nor park any vehicles in the parking areas other than automobiles, motorcycles, motor driven or non-motor driven bicycles or four-wheeled trucks. No overnight or extended term storage of vehicles shall be permitted.
3. Parking stickers or any other device or form of identification supplied by Landlord as a condition of use of the parking facilities shall remain the property of Landlord. Such parking identification device must be displayed as requested and may not be mutilated in any manner. The serial number of the parking identification device may not be obliterated. Devices are not transferable and any device in the possession of an unauthorized holder will be void.
4. Vehicles must be parked entirely within the painted stall lines of a single parking stall.
5. All directional signs and arrows must be observed.
6. The speed limit within all parking areas shall be 5 miles per hour.
7. Parking is prohibited: (i) in areas not striped for parking; (ii) in aisles; (iii) where "no parking" signs are posed; (iv) on ramps; (v) in cross hatched areas; and (vi) in such other areas as may be designated by Landlord or Landlord's parking operator from time to time.
8. Every parker is required to park and lock his or her own vehicle. All responsibility for damage to vehicles is assumed by the parker.
9. Loss or theft of parking identification devices from automobiles must be reported immediately, and a lost or stolen report must be filed by the customer at that time. Lost or stolen devices found by the parker must be reported immediately to avoid confusion. Landlord has the

right to exclude any car from the parking areas that does not have an identification.

10. Any parking identification devices reported lost or stolen found on any unauthorized car will be confiscated and the illegal holder will be subject to prosecution.

11. Washing, waxing, cleaning or servicing of any vehicle in any area not specifically reserved for such purpose is prohibited.

12. Landlord reserves the right to refuse the sale of monthly stickers or other parking identification devices to any tenant or person and/or its agents or representatives who willfully refuse to comply with these parking rules and regulations and all unposted city, state or federal rules, ordinances or laws.

13. Landlord reserves the right to modify and/or adopt such other reasonable and non discriminatory rules and regulations for the parking areas as it deems necessary. Landlord may refuse to permit any person who violates these rules to park in the parking areas for the Complex, and any violation of the rules shall subject the car to removal.

14. Landlord reserves the right to charge on a non-discriminatory basis for additional parking above and beyond the right to use 200 parking spaces as specified in the Basic Lease Information of the Lease. The cost of the initial 200 parking spaces is included in the Base Rental Rate.

EXHIBIT K

INSURANCE REQUIREMENTS

Effective as of the date any assignee or subtenant of Tenant enters or occupies any portion of the Premises, and continuing throughout the Term, Tenant shall maintain the following insurance policies: (A) commercial general liability insurance of not less than \$3,000,000 per occurrence, with an annual aggregate limit of not less than \$5,000,000, which shall apply on a per location basis, or, following the expiration of the initial Term, such other amounts as Landlord may from time to time reasonably require (and, if the use and occupancy of the Premises include any activity or matter that is or may be excluded from coverage under a commercial general liability policy [e.g., the sale, service or consumption of alcoholic beverages], Tenant shall obtain such endorsements to the commercial general liability policy or otherwise obtain insurance to insure all liability arising from such activity or matter [including liquor liability, if applicable] in such amounts as Landlord may reasonably require), insuring Tenant, Landlord, Landlord's Property Manager and Invesco against all liability for injury to or death of a person or persons or damage to property arising from the use and occupancy of the Premises and (without implying any consent by Landlord to the installation thereof) the installation, operation, maintenance, repair or removal of Tenant's Off-Premises Equipment with an additional insured endorsement in form CG 20 26 11 85 (or another equivalent form approved in writing by Landlord); (B) Automobile Liability covering any owned, non-owned, leased, rented or borrowed vehicles of Tenant with limits no less than \$1,000,000 combined single limit for property damage and bodily injury; (C) All Risk Property insurance, which shall include protection against loss or damage from earthquakes, covering the full value of all Alterations and improvements and betterments in the Premises, naming Landlord and Landlord's Mortgagee as additional loss payees as their interests may appear; (D) All Risk Property insurance, which shall include protection against loss or damage from earthquakes, covering the full value of all furniture, trade fixtures and personal property (including property of Tenant or others) in the Premises or otherwise placed in the Complex by or on behalf of a Tenant Party (including Tenant's Off-Premises Equipment) it being understood that no lack or inadequacy of insurance by Tenant shall in any event make Landlord subject to any claim by virtue of any theft of or loss or damage to any uninsured or inadequately insured property; (E) contractual liability insurance sufficient to cover Tenant's indemnity obligations hereunder (but only if such contractual liability insurance is not already included in Tenant's commercial general liability insurance policy); (F) worker's compensation insurance in amounts not less than statutorily required, and Employers' Liability insurance with limits of not less than \$1,000,000; (G) business interruption insurance in an amount that will reimburse Tenant for direct or indirect loss of earnings attributable to all perils insured against under clause (C) or attributable to the prevention of access to the Building or the Premises; (H) in the event Tenant performs any alterations or repairs in, on, or to the Premises, Builder's Risk Insurance on an All Risk basis (including collapse) on a completed value (non-reporting) form, or by endorsement including such coverage pursuant to clause (C) hereinabove, for full replacement value covering all work incorporated in the Building and all materials and equipment in or about the Premises; and (I) such other insurance or any changes or endorsements to the insurance required herein, including increased limits of coverage, as Landlord, or any mortgagee or lessor of Landlord, may reasonably require from time to time. Tenant's insurance shall provide primary coverage to Landlord and shall not require contribution by any insurance maintained by Landlord, when any policy issued to

Landlord provides duplicate or similar coverage, and in such circumstance Landlord's policy will be excess over Tenant's policy. Tenant shall furnish to Landlord certificates of such insurance, with an additional insured endorsement in form CG 20 26 11 85 (or another equivalent form approved in writing by Landlord), and such other evidence satisfactory to Landlord of the maintenance of all insurance coverages required hereunder at least ten (10) days prior to the earlier of the Commencement Date or the date Tenant enters or occupies the Premises, and at least fifteen (15) days prior to each renewal of said insurance, and Tenant shall obtain a written obligation on the part of each insurance company to notify Landlord at least thirty (30) days before cancellation or a material change of any such insurance policies. All such insurance policies shall be in form, and issued by companies licensed to do business in the State of California and with a Best's rating of A:VII or better, reasonably satisfactory to Landlord. If Tenant fails to comply with the foregoing insurance requirements or to deliver to Landlord the certificates or evidence of coverage required herein, Landlord, in addition to any other remedy available pursuant to this Lease or otherwise, may, but shall not be obligated to, obtain such insurance and Tenant shall pay to Landlord on demand the premium costs thereof. It is expressly understood and agreed that the foregoing minimum limits of insurance coverage shall not limit the liability of Tenant for its acts or omissions as provided in this Lease.

EXHIBIT L
FORM OF LANDLORD'S WORK LETTER

EXHIBIT L

LANDLORD'S WORK LETTER

This Work Letter supplements the Lease (the "**Lease**") dated _____, 2013, executed concurrently herewith, by and between RAIC UNIVERSITY TECHNOLOGY CENTER, LLC, as Landlord, and COUNTY OF LOS ANGELES as Tenant, covering certain Premises described in the Lease. Terms capitalized but not otherwise defined herein shall have the meanings ascribed to them in the Lease.

The parties hereby agree as follows:

1. **Basic Work Letter Information.** The following terms as used herein shall have the meanings provided in this Section unless otherwise specifically modified by provisions of this Work Letter.

- | | | |
|-----|---|---|
| (a) | Base Tenant Improvement Allowance | \$1,624,192 (i.e., \$32 per rentable square foot of the Premises) |
| (b) | Additional Tenant Improvement Allowance | \$2,030,248 (i.e., \$40 per rentable square foot of the Premises) |
| (c) | Maximum Change Order Allowance | \$253,780 (i.e., \$5.00 per rentable square foot of the Premises) |
| (d) | Additional Tenant Improvement Allowance and Change Order Amortization Rate: | 7 % per annum |
| (e) | Basic Rent Reduction per \$1,000 | N/A |
| (f) | Tenant's Work Letter Representative | Kevin Webb or an assigned staff person of the Chief Executive Office-Real Estate Division |
| (g) | Landlord's Work Letter Representative | Daniel Karcher |
| (h) | Landlord's Address for Work Letter Notice | Daniel Karcher
c/o Davis Partners
1420 Bristol Street North, Suite 100
Newport Beach, CA 92660
Telephone: (909) 348-5900
Facsimile: (909) 348-5904 |

With a copy to:

Invesco Real Estate
500 Three Galleria Tower
13155 Noel Road
Dallas, TX 75240

Attention: University Technology Center Asset Manager

- (i) Tenant's Address for Work Letter Notice

Board of Supervisors
Kenneth Hahn Hall of Administration
Room 383
500 West Temple Street
Los Angeles, CA 90012

With a copy to:

Chief Executive Office
Real Estate Division
222 South Hill Street, 3rd Floor
Los Angeles, CA 90012
Attention: Director of Real Estate

- (j) Addenda

Addendum A: Base Building Improvement Plans

Addendum B: Tenant Improvements

Addendum C: Costs of Tenant Improvements

Addendum D: Tenant's Approved Space Plans

2. **Base Building.**

2.1 **Base Building Improvements.** Landlord has constructed the base Building improvements as a part of the Building as described on **Addendum A** hereto (the "**Base Building Improvements**"). To the extent that the Base Building Improvements must be changed or added to in order to accommodate the special needs of Tenant in the Premises, such changes or additions shall be considered Tenant Improvements (as defined below) only to the extent such changes or additions are specifically described in **Addendum B** hereto. All soft costs, architecture and engineering costs associated with the Base Building Improvements shall be itemized and separated from all soft costs, architecture and engineering costs associated with the Tenant Improvements.

2.2 **Additional Costs Not Tenant Improvement Costs**

(a) In the event that the Building as initially constructed does not comply with current life-fire safety codes, disabled access codes (including, without limitation, the Disabilities Acts, as defined in Section 8 of the Lease), and/or earthquake safety codes, and Landlord incurs increased design or construction costs that it would not have incurred had the Building been in compliance with such codes, such costs shall not be included in the calculation of Tenant Improvement Costs as defined below and Tenant shall have no financial responsibility for such costs.

(b) Any work that Landlord must undertake to cause the Premises to comply with the access requirements of the Disabilities Acts or make existing building systems, including, but not limited to, electrical service and HVAC equipment, operational shall be at Landlord's sole cost and expense. Costs of upgrades to the operational HVAC and electrical systems identified in **Addendum B** shall be funded via the Tenant Improvement Allowances. Tenant Improvement Costs shall not include any costs associated with (i) asbestos abatement or compliance with the Hazardous Materials provision of the Lease, including all expenses associated with curing any "Sick Building Syndromes", (ii) fire sprinkler system installation or upgrade, (iii) conversion of air conditioning systems to eliminate use of CFC refrigerants that are harmful to the atmosphere, (iv) utility costs incurred during construction, and (v) costs incurred in order to cause the Premises to comply with any mechanical or electrical requirements set forth in the Lease except for those set forth in **Addendum B**.

(c) Landlord shall be solely responsible for all costs and expenses necessary to increase permitted structural floor loading in order to accommodate Tenant's file rooms, unusual live loads and other such uses.

2.3 Base Building Plans. Landlord has delivered to Tenant "as built" plans and specifications for the Building in an AutoCAD 2000 format.

3. **Selection of Architect and Engineer.** Within five (5) business days following the approval of the Approved Space Plan, Landlord shall promptly solicit at least 3 proposals from qualified licensed architects ("**Architect**") and engineers ("**Engineer**") familiar with all applicable laws and building requirements detailing a scope of work sufficient to complete the Working Drawings for Tenant Improvements as defined below. The Architect and the Engineer shall be selected by Landlord subject to Tenant's consent, which consent shall not be unreasonably withheld, conditioned or delayed, and which consent (or refusal to consent for reasonable reasons) shall be granted within three (3) business days after Landlord has submitted the name of the Architect and the Engineer to Tenant together with detailed proposals outlining the cost for design/engineering services (the "**Architect/Engineer Package**"). Tenant shall review the Architecture/Engineer Package and approve or disapprove such three (3) business-day period. If Tenant disapproves of the Architecture/Engineer Package, Landlord and Tenant shall meet to discuss the Architecture/Engineer Package and if necessary, Landlord shall prepare a revised Architecture/Engineer Package. Tenant shall review the revised Architecture/Engineer Package and approve or disapprove of the revised Architecture/Engineer Package in accordance with the procedure provided above within three (3) business days after Tenant's receipt thereof. This procedure shall be repeated until the Architect and the Engineer is/are finally approved by Tenant and written consent has been delivered to and received by Landlord. If the Architect and Engineer are not fully approved by both Landlord and Tenant by the tenth (10th) business day after the delivery of the first Architect/Engineer Package to Tenant, then each day after such time period that such the Architect and/or Engineer are not fully approved by both Landlord and Tenant shall constitute a Tenant Delay.

4. **Selection of Contractor.** Within five (5) business days following issuance of the Final Plans (as defined below in *Section 5.4* below), the Final Plans for the Tenant Improvements (as defined below in *Section 6.4* below) shall be submitted to contractors selected by Landlord and approved by Tenant, such approval not to be unreasonably withheld, conditioned or delayed,

sufficient in number so that a minimum of 3 bids are received. Each approved contractor shall be requested to submit a sealed fixed price contract bid price (on such contract form as Landlord shall designate) to construct the Tenant Improvements designated on the Final Plans. Landlord and Tenant shall jointly open and review the bids. Within three (3) business days following receipt of the bids, Landlord and Tenant, after adjustments for inconsistent assumptions, shall select the most qualified bidder offering the lowest price. Such contractor ("**Contractor**") shall enter into a construction contract ("**Construction Contract**") with Landlord consistent with the terms of the bid to construct the Tenant Improvements. If the Contractor is not selected by both Landlord and Tenant by the fifth (5th) business day after the opening of the bids, then each day after such time period that the Contractor is not fully approved by both Landlord and Tenant shall constitute a Tenant Delay.

5. Preparation of Plans and Specifications and Construction Schedule.

5.1 Preparation of Space Plan. Within 10 business days after this Lease is executed by Landlord and the County Board of Supervisors (the "**Plan Submission Date**"), Tenant shall submit to Landlord a space plan and specifications for the Premises showing all demising walls, corridors, entrances, exits, doors, interior partitions, and the locations of all offices, conference rooms, computer rooms, mini-service kitchens, and the reception area, and file room (the "**Preliminary Space Plan**"). A draft of the Preliminary Space Plan is attached hereto as **Addendum D**. Landlord shall approve or disapprove of the Preliminary Space Plan by written notice to Tenant within ten (10) days after Landlord's receipt of the Preliminary Space Plan. If Landlord disapproves of the Preliminary Space Plan, Landlord's written notice to Tenant disapproving of the Preliminary Space Plan shall include (i) a description of the disapproved element of the Preliminary Space Plan, (ii) the reasons for Landlord's disapproval and (iii) at Landlord's option, suggested modifications to the Preliminary Space Plan. If Landlord disapproves of the Preliminary Space Plan, Tenant shall arrange for the Architect to revise the Preliminary Space Plan to address Landlord's comments and/or incorporate Landlord's suggested modifications (if any) and resubmit the Preliminary Space Plan to Landlord for Landlord's review and approval. Landlord shall review the revised Preliminary Space Plan and approve or disapprove of the revised Preliminary Space Plan in accordance with the procedure provided above within five (5) business days after Landlord's receipt thereof. Such procedure shall be repeated until Landlord grants approval of the Preliminary Space Plan. The approved Preliminary Space Plan is hereinafter referred to as the "Approved Space Plan". If the Preliminary Space Plan is not approved by both Landlord and Tenant by the twentieth (20th) day after the initial submittal thereof to Landlord, then each day after such time period that the Preliminary Space Plan is not fully approved by both Landlord and Tenant shall constitute a Tenant Delay.

5.2 Preparation and Approval of Working Drawings. Within 10 business days after the approval of the Approved Space Plan and selection of the Architect, Landlord shall instruct the Architect to commence preparation of Working Drawings for the Tenant Improvements based on the Approved Space Plan (the "**Working Drawings**"), which shall be compatible with the design, construction and equipment of the Building, comply with all applicable laws, be capable of physical measurement and construction, contain all such information as may be required for the construction of the Tenant Improvements and the preparation of the Engineering Drawings (as defined below), and contain all partition locations, plumbing locations, air

conditioning system and duct work, special air conditioning requirements, reflected ceiling plans, office equipment locations, and special security systems. The Working Drawings may be submitted in one or more stages and at one or more times. Landlord shall provide Tenant the Working Drawings, or such portion as has from time to time been submitted, for review. If Tenant disapproves of the Working Drawings, Tenant's written notice to Landlord disapproving of the Working Drawings shall include (i) a description of the disapproved element of the Working Drawings, (ii) the reasons for Tenant's disapproval and (iii) suggested modifications to the Working Drawings. If Tenant disapproves of the Working Drawings, Landlord shall arrange for the Architect to revise the Working Drawings to address Tenant's comments and/or incorporate Tenant's suggested modifications and resubmit the Working Drawings to Tenant for Tenant's review and approval. Tenant shall review the Working Drawings and approve or disapprove of the Working Drawings within five (5) business days after Tenant's receipt thereof. Tenant shall review the revised Working Drawings and approve or disapprove of the revised Working Drawings in accordance with the procedure provided above within five (5) business days after Tenant's receipt thereof. Such procedure shall be repeated until each of Landlord and Tenant grants its approval of the Working Drawings. If the Working Drawings are not approved by both Landlord and Tenant by the twentieth (20th) day after the initial submittal thereof to Tenant, then each day after such time period that the Working Drawings are not fully approved by both Landlord and Tenant shall constitute a Tenant Delay.

Landlord shall be solely responsible for insuring that the Working Drawings fully comply with all applicable building codes and are free from errors or omissions on the part of the Architect.

5.3 Preparation and Approval of Engineering Drawings. Landlord shall cause the Architect to coordinate all engineering drawings prepared by the Engineer, showing complete mechanical, electrical, plumbing, and HVAC plans ("**Engineering Drawings**") to be integrated into the Working Drawings. The Engineering Drawings may be submitted in one or more stages and at one or more times for Tenant's review. Tenant shall review the Engineering Drawings and approve or disapprove of the Engineering Drawings within five (5) business days after Tenant's receipt thereof. If Tenant disapproves of the Engineering Drawings, Tenant's written notice to Landlord disapproving of the Engineering Drawings shall include (i) a description of the disapproved element of the Engineering Drawings, (ii) the reasons for Tenant's disapproval and (iii) suggested modifications to the Engineering Drawings. If Tenant disapproves of the Engineering Drawings, Landlord shall arrange for the Engineer to revise the Engineering Drawings to address Tenant's comments and/or incorporate Tenant's suggested modifications (if any) and resubmit the Engineering Drawings to Tenant for Tenant's review and approval. Tenant shall review the Engineering Drawings and approve or disapprove of the Engineering Drawings within five (5) business days after Tenant's receipt thereof. Tenant shall review the revised Engineering Drawings and approve or disapprove of the revised Engineering Drawings in accordance with the procedure provided above within five (5) business days after Tenant's receipt thereof. Such procedure shall be repeated until each of Landlord and Tenant grants its approval of the Engineering Drawings. If the Engineering Drawings are not approved by both Landlord and Tenant by the twentieth (20th) day after the initial submittal thereof to Tenant, then each day after such time period that the Engineering Drawings are not fully approved by both Landlord and Tenant shall constitute a Tenant Delay.

5.4 Integration of Working Drawings and Engineering Drawings into Final Plans. After Tenant has approved the Engineering Drawings, Landlord shall cause the Architect to integrate the approved Working Drawings with the approved Engineering Drawings (collectively "**Final Plans**") and deliver 5 sets of the Final Plans to Tenant. The Final Plans shall be suitable for plan check review and permitting by local agencies having jurisdiction, for the layout, improvement and finish of the Premises consistent with the design and construction of the Tenant Improvements, including electrical and mechanical drawings, capacity reports, dimensioned partition plans, floor and wall finish plans, reflected ceiling plans, power, telephone communications and data plans, life safety devices, construction detail sheets including millwork detail plans showing the location of partitions, light fixtures, electrical outlets, telephone outlets, sprinklers, doors, equipment specifications (including weight specifications and cooling requirements) and power requirements (including voltage, amps, phase, and special plugs and connections), wall finishes, floor coverings, millwork and other Tenant Improvements.

5.5 Approval of Plans by Tenant. Approval by Tenant shall not be deemed to be a representation by Tenant as to the adequacy or correctness of the design of the Tenant Improvements.

5.6 Schedule. Within 30 days after the Plan Submission Date, Landlord shall submit to Tenant a detailed construction schedule, subject to approval by Tenant which approval shall not be unreasonably withheld, conditioned or delayed, setting forth the dates for specific completion of certain project benchmarks including, but not limited to, completion of Working Drawings, completion of Engineering Drawings, submission of plans to local jurisdiction for review, issuance of building permit, submission of plans to contractors for bidding, award of construction contract, construction commencement, construction completion, the Projected Commencement Date and other similar dates. Tenant shall review the construction schedule and approve or disapprove of the construction schedule within five (5) business days after Tenant's receipt thereof. If Tenant disapproves of the construction schedule, Landlord and Tenant shall meet to discuss the schedule and Landlord shall prepare a revised construction schedule, if necessary. Tenant shall review the revised construction schedule and approve or disapprove of the revised construction schedule in accordance with the procedure provided above within five (5) business days after Tenant's receipt thereof. Such procedure shall be repeated until each of Landlord and Tenant grants its approval of the construction schedule. If the construction schedule is not approved by both Landlord and Tenant by the tenth (10th) day after the initial submittal thereof to Tenant, then each day after such time period that the construction schedule is not fully approved by both Landlord and Tenant shall constitute a Tenant Delay.

As the construction continues, Landlord shall amend the schedule from time to time to reflect any changes to the projected dates.

6. Final Construction Budget and Payment of Tenant Construction Costs

6.1 Construction Budget. Within 5 business days after approval of the Space Plan, Landlord shall submit to Tenant a preliminary budget (the "**Preliminary Budget**"). Such budget shall be revised into final form within 10 business days from the date the Contractor is selected and will be referred to herein as the "Final Construction Budget". Tenant shall have 5 business days from the date of receipt of the Final Construction Budget to approve or disapprove the Final

Construction Budget. Construction of the Tenant Improvements shall not begin until such time as Tenant indicates its approval or disapproval of the Final Construction Budget or the 5 business day period expires without any response from Tenant. Tenant shall review the Final Construction Budget and approve or disapprove of the Final Construction Budget within five (5) business days after Tenant's receipt thereof. If the Final Construction Budget is not approved by both Landlord and Tenant by the tenth (10th) day after the initial submittal thereof to Tenant, then each day after such time period that the Final Construction Budget is not fully approved by both Landlord and Tenant shall constitute a Tenant Delay.

6.2 Total Construction Costs. The entire cost of performing the Tenant Improvements (including design of the Tenant Improvements, the Space Plan, the Engineering Drawings, the Working Drawings, the Final Plans, and modular furniture described in the Modular Specifications, preparation of the construction budget, the costs of construction labor and materials, electrical usage during construction, additional janitorial services, general tenant signage, related taxes and insurance costs, and the construction supervision fee referenced in *Section 6.3* below, all of which costs are herein collectively called the "**Total Construction Costs**") in excess of the combined Tenant Improvement Allowance, Additional Allowance and Maximum Change Order Allowance (collectively, the "**Total Construction Allowance**") shall be paid by Tenant. Upon Substantial Completion of the Tenant Improvements in the entirety of the Premises, Tenant shall pay to Landlord an amount equal to the Total Construction Costs (as adjusted for any approved changes to the Tenant Improvements), less the amount of the Total Construction Allowance. In the event of default of payment of such excess costs, Landlord (in addition to all other remedies) shall have the same rights as for a Tenant Default under the Lease. The Total Construction Costs shall not include any costs which are Landlord's responsibility pursuant to *Section 2* above or *Section 12* below.

6.3 Construction Supervision Fee. Landlord shall construct the Tenant Improvements according to the Final Plans. The Total Construction Costs shall also include an amount equal to Landlord's actual costs for architects' fees, contractors' fees, engineers' fees, other professionals' fees (if any, and only as approved in advance by Tenant), plus an additional charge of 3% of the Total Construction Costs (excluding the construction supervision fee).

6.4 Additional Tenant Improvement Allowance. All improvements required by the Final Plans and modular furniture described in the Modular Specifications (as defined in *Section 9* below), shall be collectively referred to herein as "Tenant Improvements" and the cost thereof shall be borne by Tenant, subject to reimbursement from the Total Construction Allowance. The Total Construction Costs may include costs for furniture, telecommunications equipment, soft costs and any other costs designated in writing by Tenant in the aggregate not to exceed the Total Construction Allowance. It is anticipated that the Tenant Improvement Costs will exceed the Base Tenant Improvement Allowance so that Tenant may authorize Landlord to pay the overage in an amount not exceeding the Additional Tenant Improvement Allowance plus the Maximum Change Order Allowance. The amount of the Additional Tenant Improvement Allowance and the Maximum Change Order Allowance shall be paid to Landlord as provided herein.

6.5 Method of Payment. That portion of the Additional Tenant Improvement Allowance used to pay for the Tenant Improvement Costs above and beyond the Base Tenant

Improvement Allowance shall be paid to Landlord in amortized monthly payments over the initial 120 months of the term of the Lease at the Tenant Improvement Amortization Rate. Notwithstanding the foregoing, Tenant may at any time during the Term prepay Landlord in a lump sum for all or any portion of the Tenant Improvement Costs required to be reimbursed by Tenant, amortizing any remaining amount in monthly payments over the term of the Lease at the Tenant Improvement Amortization Rate. If any portion of the Maximum Change Order Allowance is used, Tenant shall pay such amount in full to Landlord within thirty (30) days following Substantial Completion of the Tenant Improvements.

7. **Construction of Tenant Improvements.**

7.1 **Permits.** Landlord shall secure the approval of governmental authorities, and all permits required by governmental authorities having jurisdiction over such approvals and permits for the Tenant Improvements, within five (5) business days after approval of the Final Plans.

7.2 **Commencement of Construction.** Landlord shall commence construction of the Tenant Improvements in the Premises within 15 business days after issuance of all such necessary permits. Landlord shall commence and, once commenced, shall thereafter diligently proceed to construct and complete all Tenant Improvements, subject to any cessation that may be caused by Force Majeure Delays.

7.3 **Construction.** Construction of the Tenant Improvements will be subject to the following terms and conditions:

(a) **Notice of Nonresponsibility.** Landlord and the Contractor shall cooperate with Tenant in posting a notice or notices of nonresponsibility by Tenant.

(b) **Decorating Decisions.** All design and programming, space planning and interior decorating services, such as selection of wall paint colors and/or wall coverings, furniture, fixtures, carpeting and any or all other decorator selection efforts required by Tenant, shall be provided by Landlord as part of the Tenant Improvements. Landlord shall consult with Tenant with respect to all such decorating services and decisions.

(c) **Clean-Up Work.** Landlord will be responsible for all clean-up with respect to the Tenant Improvements, whether in the Premises themselves or in other areas utilized by Landlord or its contractors. Landlord further agrees to reimburse Tenant for any and all reasonable expenses incurred by Tenant as a result of inadequate clean-up, only after providing Landlord with 10 days written notice specifying in reasonable detail what it considers inadequate clean-up and allowing Landlord 10 days to cure such remaining clean-up.

(d) **Compliance with Laws.** Construction of the Tenant Improvements shall comply with all applicable laws and regulations and shall be subject to the general inspection of Tenant. The Premises shall comply with all applicable city, county, state and federal building codes, regulations and ordinances required for beneficial occupancy, including, but not limited to, all provisions of the Labor Code of the State of California. Under the provisions of the Labor Code, the State Department of Industrial Relations will ascertain the prevailing hourly rate in dollars and details pertinent thereto for each craft, classification or type of workman or mechanic

needed for the construction of the improvements. Particulars of the current Prevailing Wage Scale, as approved by the Board of Supervisors which are applicable to the work, are filed with the Clerk of the Board of Supervisors and must be posted at the site.

7.4 Conformed Plans. Within 60 days after Substantial Completion of the Tenant Improvements in the Premises and receipt from the Contractor of all field changes, Landlord shall submit to Tenant a set of conformed plans (“**as-builts**”) incorporating, in accordance with standard industry custom and practice, field changes made and changes and/or revisions that have been made subsequent to the submission of the Final Plans. Such “as-built” or “record documents” shall be submitted on three and one-half inch (3½”) 1.4Mb magnetic media diskettes in Auto CAD R 12.dwg (or later version) format or .DXF format, along with one complete set of mylar transparencies of drawings and one complete set of specifications.

8. Change Orders. Tenant and Landlord may make changes, additions, deletions or alterations in the Final Plans (“**Change Order**”) provided both Tenant and Landlord approve such changes in writing. The amount of the Maximum Change Order Allowance set forth in *Section 1* has been authorized by the Board of Supervisors of the County to be used to pay the costs of all authorized Change Orders but only the Chief Executive Officer is authorized to approve Change Orders on behalf of Tenant and then only if the aggregate amount of such approved Change Orders does not exceed the Maximum Change Order Allowance.

Within thirty (30) days following the Substantial Completion of the Tenant Improvements, Tenant shall pay for Change Orders via full lump sum payment to Landlord. Landlord shall submit to the Chief Executive Officer with each requested Change Order (i) the specific cost of the requested change, (ii) the cumulative net total cost of all Change Orders previously approved, and (iii) an estimate of the construction time which will be increased or shortened if the Change Order is approved. Each Change Order must be signed and dated by the Chief Executive Officer. In no event shall Landlord be required to fund any monies in excess of the Total Construction Allowance (as defined in *Section 6.2* above).

9. Furniture System.

9.1 Tenant shall deliver to Landlord within ten (10) business days after the Lease Approval Date (as defined in Section 1.1(f) of the Lease), modular furniture plans and specifications (the “**Modular Specifications**”). Based on the Modular Specifications, Landlord and/or Landlord’s architect, shall prepare a modular furniture specifications bid package for submission to no less than 3 furniture vendors. Prior to submission for bids, Landlord shall review the bid package with Tenant and Tenant shall have the right to approve or disapprove the bid package. The bids shall be jointly opened and reviewed. The bids shall include an itemized list of all materials and labor and shall include all additional costs (shipping, storage, and taxes). Landlord and Tenant, after adjustments for inconsistent assumptions, shall select the most qualified bidder offering the lowest price and such vendor (“**Vendor**”) shall enter into a contract (“**Furniture Contract**”) with Landlord consistent with the terms of the bid.

Landlord shall provide at its cost the modular furniture set forth in the Modular Specifications and shall not be responsible for the cost of such modular furniture in excess of the Additional Tenant Improvement Allowance. Tenant shall reimburse the Landlord for the cost of

the modular furniture as set forth in *Section 6.2* hereof. The Furniture Contract or financed transaction entered into between Landlord, the furniture vendor and/or lender shall be reasonably acceptable to Tenant, including, but not limited to, a lease purchase agreement, provided the outstanding balance can be no more than One Dollar (\$1) at the end of a term not to exceed 84 months.

9.2 By written notice to Landlord delivered on or before the date which is ten (10) business days after the Lease Approval Date, Tenant may opt to finance the lump-sum payment for the cost of modular furniture through lease-purchase financing with a third-party (“**Creditor**”). In the event the Tenant elects to enter into a lease-purchase financing of the furniture (the “**Personal Property**”) through a Creditor, Landlord expressly agrees as follows:

(a) The Personal Property shall not become part of the realty or real property, but shall remain personal property removable by the Creditor and its assigns, provided that any damage occasioned by such removal shall be repaired by Creditor.

(b) Landlord shall be notified by Creditor of any plan by Creditor to remove the Personal Property.

(c) This section shall be binding on the representatives, successors and assigns of all parties hereto and shall inure to the benefit of the successors-in-interest to all parties hereto.

(d) Landlord does hereby waive any right to gain possession of any of Personal Property during the term of this Lease.

10. **Walk-Through; Punchlist.** When Landlord considers the Tenant Improvements in the Premises to be Substantially Completed, Landlord will notify Tenant and within three (3) business days thereafter, Landlord’s representative and Tenant’s representative shall conduct a walk-through of the Premises and identify any necessary touch-up work, repairs and minor completion items that are necessary for final completion of the Work. Neither Landlord’s representative nor Tenant’s representative shall unreasonably withhold his or her agreement on punchlist items. Landlord shall use reasonable efforts to cause the contractor performing the Tenant Improvements to complete all punchlist items within thirty (30) days after agreement thereon; however, Landlord shall not be obligated to engage overtime labor in order to complete such items.

11. **Tenant Improvement Costs Adjustment and Right to Audit.** Within 20 days following the Substantial Completion of the Tenant Improvements in the entirety of the Premises, Landlord shall notify Tenant of the final Tenant Improvement Costs, by executing a summarized breakdown of the total costs of the Tenant Improvements in the form of the attached **Addendum C – Memorandum of Tenant Improvement Costs**. Tenant shall have the right to audit such costs for a period of 6 months following the Substantial Completion of the Tenant Improvements in the Premises. In the event the audit shows that Tenant is entitled to a reduction in payments to Landlord under this Work Letter, Tenant shall provide Landlord with a copy of the audit summary and if Landlord agrees with the results of Tenant’s audit, Landlord shall pay

Tenant the amount of any over-payment made by Tenant within 30 days and future payments shall be adjusted as appropriate based upon the audit results.

12. **Exclusions.** The Tenant Improvement Costs shall not include any costs incurred for asbestos abatement, fire sprinkler system, or conversion of air conditioning systems to eliminate use of CFC refrigerants that are harmful to the atmosphere. All work for required asbestos abatement, fire sprinkler system, or air conditioning system conversion shall be performed at the sole cost and expense of Landlord.

13. **Telephone/Computer Room and Equipment.** Landlord shall complete the telephone equipment room(s) including permanent power and HVAC, in compliance with the Final Plans. Landlord shall be responsible for any telephone/data equipment delivered to the site for programming prior to the Projected Commencement Date and the cost thereof shall be included as part of the Total Construction Costs.

14. **Delay.**

14.1 **Tenant Delays and Force Majeure Delays.** Except as set forth herein, no delay in the completion of construction of the Tenant Improvements shall be considered in the determination of the Commencement Date of the Lease and, except as set forth herein or in the Lease, under no circumstance shall Tenant be charged with any delay whatsoever as a result of delay in the construction of Tenant Improvements (excluding Tenant Delays, defined below). Subject to the provisions of *Section 14.2*, the Projected Commencement Date set forth in the Lease shall be extended one (1) business day for each day that: (i) Tenant fails or refuses to give authorizations or approvals within the time periods required herein but only to the extent such delays actually delay the commencement or completion of construction of the Tenant Improvements (referred to herein as “**Tenant Delay(s)**”); or (ii) Substantial Completion of the Tenant Improvements is delayed by lightning, earthquake, fire, storm, tornado, flood, washout, explosion, strike, lockout, labor disturbance, civil disturbance, riot, war, act of a public enemy, sabotage or other similar causes beyond the reasonable control of Landlord (referred to herein as “**Force Majeure Delay(s)**”).

14.2 **Limitations.**

(a) **Notice.** No Tenant Delay or Force Majeure Delay shall be deemed to have occurred unless Landlord has provided written notice, within 24 hours of the event giving rise to such claim, in compliance with the Lease, to Tenant specifying that a delay is claimed to have occurred because of actions, inaction or circumstances specified in the notice in reasonable detail. If such actions, inaction or circumstances qualify as a Tenant Delay or Force Majeure Delay, then a Tenant Delay or Force Majeure Delay, as applicable, shall be deemed to have occurred only commencing as of the date Tenant received such notice from Landlord.

(b) **Mitigation.** Tenant Delays and Force Majeure Delays shall delay the Projected Commencement Date only in the event that Substantial Completion of the Tenant Improvements is delayed, despite Landlord’s reasonable efforts to adapt and compensate for such delays.

(c) Concurrent Delays. Tenant Delays and Force Majeure Delays shall be recognized hereunder only to the extent the same are not concurrent with any other Tenant Delay or Force Majeure Delay which is effective hereunder. For example, if there are 10 days of Tenant Delays and 4 days of Force Majeure Delays which occur during the same 10 day period of such Tenant Delays, then the Projected Commencement Date would be extended by only 10 days; on the other hand, if such Tenant Delays and Force Majeure Delays did not occur during the same period, the Projected Commencement Date would be extended by 14 days.

(d) Change Orders. Landlord may not claim that a Change Order requested by Tenant was the cause of a delay in the construction of the Tenant Improvements unless the anticipated delay is specified in writing in the Change Order authorization.

15. **Representatives.**

15.1 Tenant Representative. Tenant has designated Tenant's Work Letter Representative as its sole representative with respect to the matters set forth in this Landlord's Work Letter who, until further notice to Landlord, shall have the full authority and responsibility to act on behalf of Tenant as required in this Work Letter and whose address, for purposes of any notices to be given regarding matters pertaining to this Landlord's Work Letter only, is Tenant's Address for Work Letter Notice as set forth in *Section 1*.

15.2 Landlord Representative. Landlord has designated Landlord's Work Letter Representative as its sole representative with respect to the matters set forth in this Work Letter who, until further notice to Tenant, shall have the full authority and responsibility to act on behalf of Landlord as required in this Landlord's Work Letter and whose address, for purposes of any notices to be given regarding matters pertaining to this Landlord's Work Letter only, is Landlord's Address for Work Letter Notice as set forth in *Section 1*.

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16. **Construction Meetings.** During the course of construction, meetings shall be held between the Contractor, Landlord and Tenant at least once per week, unless Tenant directs otherwise, at a time and place which is mutually convenient. An initial construction meeting shall be held within five (5) business days of the date the Contractor is selected.

LANDLORD:

RAIC UNIVERSITY TECHNOLOGY CENTER, LLC

By: *Terrell Weatherl*
Name: Terrell Weatherl
Its: Vice President

TENANT:

COUNTY OF LOS ANGELES,
a body politic and corporate

By: *Mark Ridley-Thomas*
Mark Ridley-Thomas
Chairman, Board of Supervisors



ATTEST: SACHI A. HAMAI
EXECUTIVE OFFICER
CLERK OF THE BOARD OF SUPERVISORS

By: *Lachelle Smith*, Deputy

ADDENDUM A To Landlord's Work Letter

BASE BUILDING IMPROVEMENTS

Landlord has constructed, at its sole cost and expense Base Building Improvements to include the following:

- (a) the Building shell and exterior, including perimeter window frames, mullions and glazing in good condition;
- (b) the mechanical, electrical, sprinkler, plumbing, life safety, heating, air conditioning, ventilation and structural systems within the Building;
- (c) men's and women's restrooms, including necessary plumbing fixtures, ceramic tile floors, accessories, ceilings and lighting, with running hot and cold water;
- (d) concrete floors with trowelled finish, level to specified tolerances and designed to support a minimum live load of fifty (50) pounds per square foot and a partition load of twenty (20) pounds per square foot;
- (e) HVAC system and duct for cooling and heating;
- (f) fire sprinkler distribution, including secondary piping and sprinkler heads as required by government regulations;
- (g) fire-life safety system as required by government regulations;
- (h) gypsum board drywall on the service core walls, columns and sills in the Premises.
- (i) electrical closet with transformer(s) providing adequate power of not less than seven (7) watts per rentable square foot;
- (j) telephone closet with MPOE for phone service;
- (k) mechanical equipment room with ducted mechanical exhaust system;
- (l) primary fire sprinkler distribution, including secondary piping and sprinkler heads as required by government regulations; and
- (m) primary fire-life safety enunciation system "backbone" and panels as required by government regulations.

ADDENDUM B To Landlord's Work Letter

TENANT IMPROVEMENTS

Tenant improvements to be constructed using the Tenant Improvement Allowances shall include:

- (a) Tenant ceilings and lighting;
- (b) Floor finishes in the Premises;
- (c) Interior finishes of any kind within the Premises;
- (d) Interior partitions, doors and hardware within the Premises;
- (e) Tenant's furniture, fixtures and equipment, including telephones, computers and cabling therefor;
- (f) HVAC and electrical upgrades above and beyond the Base Building Improvements set forth in **Addendum A** hereof;
- (g) Conduits, electrical/data outlets and other electrical components sufficient for Tenant's electrical and data specifications;
- (h) Any and all signs for Tenant and the power therefor;
- (i) After-hours HVAC system, separate from main Base Building HVAC system, for telephone/computer room; and
- (j) all other improvements shown on the Final Plans.

ADDENDUM C To Landlord's Work Letter

Memorandum of Tenant Improvement Costs

This Memorandum of Tenant Improvement Costs is dated this _____ day of _____, 201__, for reference purposes only, by and between Landlord, RAIC UNIVERSITY TECHNOLOGY CENTER, LLC, and Tenant, COUNTY OF LOS ANGELES.

The parties hereto have entered into a Lease dated as of _____, 2013 (the "**Lease**") for the leasing by Landlord to Tenant of the building located at 3179 Temple Avenue, Pomona, California (the "**Premises**").

Landlord and Tenant hereby confirm the following:

A. The final total cost of the Tenant Improvements is (\$_____).

This is comprised of:

<u>Lease Budget</u>		<u>Actual Cost</u>
\$	Tenant Improvement Allowance	\$_____
\$	Additional Tenant Improvement Allowance	\$_____
\$	Change Order Allowance	\$_____
\$	Total	\$_____

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B. Difference between the final total cost of the Tenant Improvements and the Total Construction Allowance (if greater than \$0.00, then such amount to be paid by Tenant concurrently with is execution of this Memorandum). (\$_____).

IN WITNESS WHEREOF, Each of Landlord and Tenant have signed this Memorandum of Tenant Improvement Costs.

LANDLORD:

RAIC UNIVERSITY TECHNOLOGY CENTER, LLC

By: _____

Its: _____

TENANT:

COUNTY OF LOS ANGELES,
a body politic and corporate

By: _____

Preliminary Space Plan



WORK LETTER

For

**COUNTY OF LOS ANGELES
CHIEF EXECUTIVE OFFICE
LEASE AND AGREEMENT**

DEPARTMENT: Children's Protective Services, as Tenant

LANDLORD: RAIC UNIVERSITY TECHNOLOGY CENTER, LLC

Address: 3179 Temple Avenue, Pomona, California